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**MICROENTERPRISE INNOVATION PROJECT (MICROSERVE)**

**Project No. PCE-0406-I-00-5034-01**

**Final Report**

**Delivery Order No. 3**

**by:**  
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**Stephanie Charitonenko**  
**Katherine Knotts**

**Presented to:**  
**USAID Bolivia**

**April 2001**

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United States Agency for International Development  
Washington, D.C.

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## ACRONYMS

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AIMS	Assessing the Impact of Microenterprise Services
ACDI	Agricultural Cooperative Development International
CAMEL	Capital Adequacy, Asset Quality, Management, Earnings, and Liquidity Management
CLA	Caja los Andes (Bank of the Andes)
CONFIP	Committee of Financial Prudence Norms
Creceer	Crédito con Educación Rural (Credit with Rural Education)
DO	Delivery Order
IBEE	Instituto Boliviano de Estudios Empresariales (Bolivian Institute for the Study of Enterprises)
IDB	Inter-American Development Bank
ICC	International Consulting Consortium, Inc.
IGP	Implementation Grant Program
IQC	Indefinite Quantity Contract
FFP	Fondos Financieros Privados (Private Financial Fund)
FIE	Centro de Fomento a Iniciativas Económicas (Development Center for Economic Initiatives)
FS	Financial Services
Funda-Pro	Fundación para la Producción (Foundation for Production)
LOE	Level of Effort
MBP	Microenterprise Best Practices
MFI	Microfinance Institution
MIP	Microenterprise Innovation Project
MIS	Management Information System
MSE	Micro and Small-Scale Enterprise
NA	Not Applicable
NGO	Non-Governmental Organization
No.	Number
OMD	Office of Microenterprise Development, USAID
OPM	Non-Governmental Microfinance Organization
PERLAS	Protection, Effective Financial Structure, Rates of Return and Costs, Liquidity, Asset Quality, and Signs of Growth
PFI	Participating Financial Institution
PRE	Programa de Formación de Recursos Humanos en Entidades de Microfinanciamiento (Program for Human Resource Development and Study of Microfinance)
PRIME	Program for Innovative Microenterprise Expansion
Prodem	Fundación para la Promoción y Desarrollo de la Micro y Pequeña Empresa (Foundation for Micro and Small Enterprise Promotion and Development)
ProMujer	Programas para la Mujer (Women's Development Program)
SBEF	Superintendency of Banks and Financial Entities
SEGIR	Support for Economic Growth and Institutional Reform Results Package

SOW	Scope of Work
TA	Technical Assistance
TO	Task Order
USAID	United State Agency for International Development
VMF	Vice Ministry of Financial Affairs

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## **Executive Summary**

### **USAID's Microenterprise Innovation Project and Chemonics' MicroServe IQC**

USAID put microenterprise development at the forefront of its international development efforts when it started the Microenterprise Initiative in 1994. Their Office of Microenterprise Development (OMD) managed the Microenterprise Initiative through the Microenterprise Innovation Project (MIP). The MIP comprised five components: 1) the Implementation Grant Program (IGP), a centrally managed grant fund; 2) the Program for Innovative Microenterprise Expansion (PRIME), a USAID Mission co-financed grant fund; 3) a technical assistance (TA) and training service component, MicroServe; 4) a research, training, and information exchange component focused on microenterprise best practices (MBP); and 5) an impact assessment component (Assessing the Impact of Microenterprise Services, or AIMS). MicroServe had the main objective to provide short-term technical assistance and training on an "as needed" basis to three main clients – the OMD, USAID missions and other entities, as well as implementing agencies – in the areas of project design, implementation and monitoring assistance, and project evaluation.

Chemonics International, Inc. (Chemonics) was one of two consortium primes holding the MicroServe Indefinite Quantity Contract (IQC). Chemonics' MicroServe IQC was effective from September 28, 1995 through March 29, 2001. Initially the maximum cumulative amount of Chemonics' MicroServe IQC Task Orders (TOs) was \$4.8 million but this amount was later increased by \$3.2 million to \$8.0 million as both options to extend the life of the IQC from the base period of three years were exercised. Over the life of Chemonics' MicroServe IQC, a total of 13 TOs were awarded. Six of these TOs were awarded by USAID/Washington and the seven others were issued by USAID missions in Bangladesh, Bolivia, Mali, Madagascar, Mexico, Sri Lanka, and West Bank/Gaza. Under the 13 TOs, more than 150 individual Delivery Orders (DOs) were carried out for TA services or conferences/training support and over 100 publications were produced on various microenterprise development topics.

### **Chemonics' MicroServe IQC Task Order No. 3 for Microfinance Innovation in Bolivia**

The bulk of the DOs (around 114) were implemented under Chemonics' most active and long-lived project of its MicroServe IQC, TO No. 3, simply titled the "Microfinance Project" in Bolivia. Awarded May 23, 1996, this TO had initial life of 2.5 years, total estimated LOE of 1,736 days, and a ceiling price of \$1,198,322. Its chief aim was to "broaden and diversify poor people's access to financial services" by providing a combination of TA and training to a variety of recipients, namely: USAID/Bolivia; the Government of Bolivia (GOB) through the Superintendency of Banks and Financial Entities (SBEF) and the Vice Ministry of Financial Affairs (VMF); seven participating financial institutions (PFIs); a training institute; and two foundations. In order to expand access of Bolivia's poor to financial services, Chemonics provided a mix of four main services: 1) TA for institutional strengthening; 2) training; 3) analysis of equity investments; and 4) policy and regulatory assistance. Chemonics' MicroServe

IQC TO No. 3 was ultimately extended through March 29, 2001 over the course of six amendments to grow to 4,467 days LOE and a \$3,695,644 ceiling price.

### **Assistance to USAID/Bolivia**

The majority of DOs completed in conjunction with USAID/Bolivia focused on administration and planning of specific TA and training activities to assist the development of Bolivia's microfinance market. Chemonics and USAID/Bolivia worked very closely together over the life of TO No.3 in order to determine the most appropriate mix of and priority for TA and training required by the two GOB regulatory and supervisory entities for microfinance, the seven PFIs, and other institutions.

### **Assistance to the SBEF and the VMF**

The SBEF began to license, regulate, and supervise microfinance institutions (MFIs) with the passing of the Bolivian Supreme Decree 14000 in April 1995. Given the SBEF's lack of substantial experience with the microfinance sector at the time, the majority of Chemonics' technical assistance and training under TO No. 3 focused on improving the SBEF's systems through sectoral market analysis, management of crises, review of legislation, and development of the regulatory and supervisory framework for microfinance as well as evaluating MFI proposals to become private financial funds (FFPs) and. TA and training provided to the VMF focused on the review and creation of legislation to support the microfinance sector, analysis of the alternatives to self-supervision for non-governmental microfinance organizations (OPMs), and investigations into the formation of credit bureaus.

### **Assistance to the Seven PFIs, Bolinvest, Funda-Pro, and IBEE/PRE**

Early consultations with USAID/Bolivia and fieldwork carried out by Chemonics indicated which institutions were most likely to benefit from focused TA and training to enhance their service provision to the microenterprise sector. The seven PFIs chosen were: 1) Agrocapital; 2) CLA (Caja los Andes, Bank of the Andes); 3) Crecer (Crédito con Educación Rural, Credit with Rural Education); 4) Ecofuturo; 5) FIE (Centro de Fomento a Iniciativas Económicas, Development Center for Economic Initiatives); 6) Prodem (Fundación para la Promoción y Desarrollo de la Micro y Pequeña Empresa, Foundation for Micro and Small Enterprise Promotion and Development); and 7) ProMujer (Programas para la Mujer, Women's Development Program). The main areas of TA in terms of institutional strengthening for these PFIs were: 1) organizational development; 2) financial services; and 3) management information systems (MIS). Bolinvest, a foundation funded by USAID/Bolivia and charged with both attracting investment and promoting exports, and Funda-Pro (Fundación para la Producción, Foundation for Production) also received TA during the project. In addition, a local training institute, IBEE (Instituto Boliviano de Estudios Empresariales, Bolivian Institute for the Study of Enterprise) through which the PRE (Programa de Formación de Recursos Humanos en Entidades de Microfinanciamiento, Program for Human Resource Development and Study of Microfinance) was provided, also received institutional capacity-building support.

Also under TO No. 3, Chemonics facilitated sustained growth for the microenterprise sector by supporting national as well as international conferences and workshops on various microfinance

topics such as rural finance and savings mobilization. In coordination with USAID/Bolivia, Chemonics additionally facilitated study tours for several Bolivian microfinance practitioners to travel to Washington, D.C. and various Latin American countries, such as Ecuador, Mexico and Peru to learn from other practitioners in areas such as methods for “training of trainers,” financial management, development of microfinance products, and effective marketing.

### **Summary of Results and Follow-On Activities**

By working closely with USAID/Bolivia its MicroServe IQC TO No. 3, Chemonics has assisted the expansion and maturation of MFIs in Bolivia and helped the country gain international recognition for having one of the most developed microfinance markets in the world. In addition to providing focused TA and training to seven of Bolivia’s leading MFIs, Chemonics has helped to create and to maintain an enabling environment for microenterprise development by working with the SBEF and VMF on policy, legal, regulatory and supervisory issues relevant to the sector’s growth. Over the life of TO No. 3 (May 1996 – March 2001) Chemonics facilitated the transformation of three NGOs to FFPs (FIE in 1998, and EcoFuturo in 1999, and Prodem in 2000). In addition, Chemonics has assisted the efforts of Agrocapital to transform itself from NGO to FFP, although as at the close of Chemonics’ MicroServe IQC, Agrocapital had yet to receive its FFP license. Through TO No. 3, Chemonics also supported domestic and international training for microfinance practitioners while building local institutional capacity to continue such training; and assisted in improving the policy and legal framework for the sector especially in the areas of prudential regulation, self-regulation, supervision procedures, credit information gathering and reporting, crisis management, and financial tax codes. This combination of technical assistance and training helped Bolivia’s leading MFIs weather one of the biggest challenges ever facing the sector – the consumer debt crisis of 1997-1998 – to emerge stronger and able to achieve the best performance to date in terms of their financial self-sustainability and outreach.

While Bolivia’s microfinance sector has experienced rapid growth for most of the 1990’s, it has become increasingly clear that MFIs have saturated the urban market and that they are experiencing heightened competition. Due to increased overall microfinance market commercialization and crowding, further improvements in MFI performance will require additional innovations by practitioners to better meet their clients’ needs in more cost-effective manners. By expanding into rural markets, developing more diverse financial products, and utilizing new technologies to lessen the costs of financial service delivery, Bolivia’s MFIs should be able to achieve greater financial self-sustainability while increasing both the breadth and depth of their outreach.

Following the expiration of both Chemonics’ MicroServe IQC and its TO No. 3 in March 2001, USAID/Bolivia awarded a separate four-year, \$7.4 million TO under the Financial Services (FS) component of the Support for Economic Growth and Institutional Reform Results Package (SEGIR) IQC in large part to continue the expansion of Bolivia’s microfinance market into rural areas and to sustainably increase the overall level of savings mobilization. As a follow-on to Chemonics’ MicroServe IQC TO No. 3, USAID/Bolivia’s Rural Financial Services project is expanding the provision of sustainable financial services from formal institutions to a greater number of people in rural areas. In addition, underserved and urban populations alike are targeted for access to non-credit services, especially deposit services. Development Alternatives,

Inc. is providing TA and training for a variety of financial institutions and other organizations involved in microfinance, overseeing research on innovation and new product development, and managing a rural investment fund as part of the follow-on project.

# **Microserve IQC Task Order No. 3 for Bolivia: Final Report**

## **I. Introduction**

### **The Microenterprise Initiative, MicroServe IQC, and Task Order No. 3 for Bolivia**

#### **A. Background**

##### **i. The Microenterprise Initiative**

In June 1994, USAID launched the Microenterprise Initiative designed to make microenterprise development an integral part of USAID's economic growth efforts. Under the Microenterprise Initiative, USAID committed itself to four key principles in designing and implementing microenterprise programs: 1) maintaining focus on women and the very poor, particularly through support for poverty lending; 2) helping implementing organizations reach greater numbers of people; 3) supporting institutional sustainability and financial self-sufficiency among implementing organizations; and 4) seeking improved partnerships with local organizations in the pursuit of microenterprise development.

##### **ii. The Microenterprise Innovation Project and MicroServe**

USAID's Office of Microenterprise Development (OMD) managed the Microenterprise Initiative through the Microenterprise Innovation Project (MIP). The MIP comprised five components: 1) the Implementation Grant Program (IGP), a centrally managed grant fund; 2) the Program for Innovative Microenterprise Expansion (PRIME), a USAID mission co-financed grant fund; 3) a technical assistance (TA) and training service component, MicroServe; 4) a research, training, and information exchange component focused on microenterprise best practices (MBP); and 5) an impact assessment component (Assessing the Impact of Microenterprise Services, or AIMS). MicroServe had the main objective to provide short-term TA and training on an "as needed" basis to three main clients – the OMD, USAID missions and other entities, and implementing agencies – in the areas of project design, implementation and monitoring assistance, and project evaluation.

#### **B. Overview of Chemonics' MicroServe IQC Delivery Orders and Task Orders**

##### **i. Chemonics' MicroServe IQC**

Chemonics International, Inc. (Chemonics) was one of two consortium primes holding the MicroServe Indefinite Quantity Contract (IQC). Chemonics' MicroServe IQC was effective from September 28, 1995 through March 29, 2001. Initially the maximum cumulative amount of Chemonics' MicroServe modified time-and-materials contract TOs was \$4.8 million but both options to extend the life of the IQC from the base period of three years were exercised and the maximum ordering limitation was increased by \$3.2 million to \$8 million in May 1998.

## ii. Task Orders and Delivery Orders

Over the life of Chemonics' MicroServe IQC, a total of 13 Task Orders (TOs) were awarded (Table 1 below). USAID/Washington awarded six of these TOs and the seven others were issued by USAID missions in Bangladesh, Bolivia, Mali, Madagascar, Mexico, Sri Lanka, and West Bank/Gaza. Under the 13 TOs, more than 150 individual Delivery Orders (DOs) were carried out for TA services or conferences/training support and over 100 publications were produced on various microenterprise development topics.

**Table 1: Summary of Chemonics' MicroServe IQC Task Orders**

TO No.	Mission	Title (Effective Dates)
1	Washington	Microenterprise Training Activity (2/96-4/96)
2	Sri Lanka	Institutional Assessments and Sub-Activity Design for the Microenterprise Support Activity (MESA) (3/96-5/96)
3	Bolivia	Microfinance Project (5/96-3/01)
<i>Task Order No. 5 was numbered incorrectly, skipping Task Order No. 4</i>		
5	West Bank/Gaza	Microfinance Workshop (6/96-7/96)
6	Bangladesh	Woman's Enterprise Development Project Evaluation (9/96-10/96)
7	Washington	Field Assessments of IGP Recipients (9/96-3/01)
8	Washington	MicroServe Technical Advisor (3/97-3/01)
9	Washington	USAID New Partnerships Initiative with the IDB in Support of Microenterprise Development Throughout the Americas (2/98-8/99)
10	Washington	Seminars/Workshops Logistical Support Worldwide (5/98-3/01)
11	Washington	MicroServe Technical Assistance for Use of Development Credit Authority to Develop Micro-Small Trade Financing Models (8/98)
<i>The USAID Task Order numbering system changed between TOs 11 and 800</i>		
800	Mexico	New Partnerships Initiative with the IDB in Support of Microenterprise Development (9/97-9/00)
802	Mali	Financial Services Results Package (1/99-3/99)
803	Madagascar	The Caisse d'Epargne de Madagascar (CEM) Diagnostic (5/99-7/99)

## C. Description of Chemonics' MicroServe IQC Task Order No. 3 for Bolivia

### i. Task Order Summary

The bulk of the DOs (about 114) were implemented under Chemonics' most active and long-lived project of its MicroServe IQC, TO No. 3, simply titled the "Microfinance Project" in Bolivia. Awarded May 23, 1996, this TO had initial life of 2.5 years, total estimated LOE of 1,736 days, and a ceiling price of \$1,198,322. Its chief aim was to "broaden and diversify poor people's access to financial services" by providing a combination of TA and training to a variety of recipients, namely: USAID/Bolivia; the Government of Bolivia (GOB) through the Superintendency of Banks and Financial Entities (SBEF) and the Vice Ministry of Financial Affairs (VMF); seven participating financial institutions (PFIs); a training institute; and two foundations. In order to expand access of Bolivia's poor to financial services, Chemonics

provided a mix of four main services: 1) TA for institutional strengthening; 2) training; 3) analysis of equity investments; and 4) policy and regulatory assistance. Chemonics' MicroServe IQC TO No. 3 was ultimately extended through March 29, 2001 over the course of six amendments to grow to 4,467 days LOE and a \$3,695,644 ceiling price.

## ii. Delivery Order Summary

In order to expand access of Bolivia's poor to financial services, Chemonics provided a mix of four main services: 1) TA for institutional strengthening; 2) training; 3) analysis of equity investments; and 4) policy and regulatory assistance in about 114 completed DOs over the life of TO No. 3. TA and training services were provided to the organizations listed in Table 2 below. Detailed descriptions for each of the DOs, organized by recipient institution, is provided in the section, "II. Assistance Summaries" below.

**Table 2: List of MicroServe IQC Task Order No. 3 TA and Training Recipients**

Acronym	Full Name of Organization, if different
<b>USAID/Bolivia</b>	
<b>GOB</b>	
(1) SBEF	Superintendencia de Bancos y Entidades Financieras (Superintendency of Banks and Financial Entities)
(2) VMF	Viceministerio de Asuntos Financieros (Vice Ministry of Financial Affairs)
<b>PFI's</b>	
(1) Agrocapital	
(2) CLA	Caja los Andes (Bank of the Andes)
(3) Crecer	Crédito con Educación Rural (Credit with Rural Education, sponsored by Freedom from Hunger)
(4) Ecofuturo	
(5) FIE	Centro de Fomento a Iniciativas Económicas (Development Center for Economic Initiatives)
(6) Prodem	Fundación para la Promoción y Desarrollo de la Micro y Pequeña Empresa (Foundation for Micro and Small Enterprise Promotion and Development)
(7) ProMujer	Programas para la Mujer (Women's Development Program)
<b>Foundations</b>	
(1) Bolinvest	
(2) Funda-Pro	Fundación para la Producción (Foundation for Production)
<b>IBEE/PRE</b>	Instituto Boliviano de Estudios Empresariales (Bolivian Institute for the Study of Enterprises) / Programa de Formación de Recursos Humanos en Entidades de Microfinanciamiento (Program for Human Resource Development and Study of Microfinance)

*Assistance to USAID/Bolivia.* The majority of DOs completed in conjunction with USAID/Bolivia focused on administration and planning of specific TA and training activities to assist the development of Bolivia's microfinance market. Chemonics and USAID/Bolivia worked very closely together over the life of TO No.3 in order to determine the most appropriate mix of and priority for TA and training required by the two GOB regulatory and supervisory entities for microfinance, the seven PFIs, and other institutions.

*Assistance to the SBEF and the VMF.* With the passing of the Bolivian Supreme Decree 14000 in April of 1995, the SBEF began to license, regulate, and supervise MFIs. Given the SBEF's lack

of substantial experience with the microfinance sector at the time, the majority of USAID/Bolivia and Chemonics' technical assistance and training focused on developing the SBEF's ability to effectively regulate and supervise MFIs and implement other components of the Supreme Decree 14000. Assistance to the SBEF included evaluating MFI proposals to become private financial funds (FFPs) and improving the SBEF's systems through sectoral market analysis, management of crises, review of legislation, and development of the regulatory and supervisory framework for microfinance.

One of the priorities of the VMF of Bolivia has been to strengthen the participation of microenterprises in the national economy through the microfinance system. The VMF has focused not only on the issues related to SBEF licensed and regulated FFPs but also on non-governmental microfinance organizations (OPMs). TA and training provided to the VMF under TO No. 3 focused on the review and creation of legislation to support the microfinance sector, analysis of the alternatives to self-supervision for OPMs, and investigations into the formation of credit bureaus.

*Assistance to the Seven PFIs, Bolinvest, Funda-Pro, and IBEE/PRE.* Early consultations with USAID/Bolivia and fieldwork carried out by Chemonics indicated which institutions were most likely to benefit from focused TA and training to enhance their service provision to the microenterprise sector. The main areas of TA in terms of institutional strengthening were: 1) organizational development; 2) financial services; and 3) management information systems (MIS). To enhance PFI organizational development, various policy or strategy documents and operational manuals were produced in such areas as administration systems, human resources, internal control, liquidity management, market research, and business planning. In assisting the development of financial services, TA and training was provided to conduct market studies and design and evaluate new products such as housing loans, leasing, various deposit and money transfer services, and insurance. MISs were either designed or implemented for PFIs to increase their management effectiveness in analyzing potential clients, managing loan and deposit portfolios, and general administration. Related studies were also conducted on the impact of using new technologies such as Palm Pilots to reduce costs and increase efficiency of PFIs operating in rural locations.

Also under TO No. 3, Chemonics facilitated sustained growth for the microenterprise sector by supporting national as well as international conferences and workshops on various microfinance topics such as rural finance and savings mobilization. In coordination with USAID/Bolivia, Chemonics additionally facilitated study tours for several Bolivian microfinance practitioners to travel to Washington, D.C. and various Latin American countries, such as Ecuador, Mexico and Peru to learn from other practitioners in areas such as methods for "training of trainers," financial management, development of microfinance products, and effective marketing.

## **II. Assistance Summaries**

Presented below are each of the DOs completed under TO No. 3 presented in the order of institutional listing in Table 2 above. Immediately following the name of the institution receiving TA and training is: 1) the DO No. (from 1 to 114) used as a tracking tool (for internal Chemonics administration purposes as well as weekly discussions with the USAID/Bolivia Project Officer) to identify the scope of work (SOW) performed; 2) a brief heading that summarizes the

assistance provided under the DO; and 3) a description of the assistance provided, with deliverables or outcomes noted as appropriate.

## **A. USAID/Bolivia**

### **i. Technical Assistance to USAID/Bolivia**

#### **28 Financial and Non-Financial Services**

Chemonics' consultants Jose Isaac Torrico and Donald Jackson carried out an analysis of the past, present, and future of USAID/Bolivia's development strategies with regard to increasing the access of microentrepreneurs to financial and non-financial services and reviewed other successful approaches to improving the income levels of the rural poor. The results of this DO were two reports on financial and non-financial services and the drafting of an RFA for the mission.

Donald Jackson's report, "Evaluación y Diseño de Servicios Financieros y No-Financieros para la Población Rural de Bolivia" (Evaluation and Design of Financial and Non-Financial Services for the Rural Population in Bolivia) published in February 1999 analyzed if past investments in rural development have been successful, if USAID/Bolivia correctly identified the principle constraints to broad-based economic growth, and what specific activities should USAID/Bolivia design to remove the growth constraints. With respect to USAID/Bolivia's investments in rural development, the author found that there were still lessons to be learned, including how to obtain strong community and beneficiary involvement and support. The author determined that USAID/Bolivia had identified correctly economic growth constraints in the areas of limited access to financial services, markets and technology, lack of productive infrastructure, and insufficient levels of education and training. The author proposed that activities to address the current constraints should include marketing services for existing and new crops and livestock, technology transfer services, design and supervision of the construction of productive infrastructure, and institutional strengthening of farmer and community organizations.

Jose Isaac Torrico's report, "Evaluation to Support the Development of Non-Financial Services for the Rural Poor in Bolivia" published in February 1999 analyzed Bolivian financial markets and the evolution from restricted financing to liberalized markets. The author found that while financial services are important in economic development, in order to combat poverty there is a need to address issues such as a lack of effective infrastructure, communications, and basic services. Pertaining to the development of financial services in rural areas, the author recommended that only solid financial intermediaries should provide these services and that a feasibility study should be carried out to determine locations where a higher level of success might be possible.

#### **83 Impact Evaluation of Technical Assistance and Training Provided to the SBEF**

The purpose of this study was to determine the impact of the assistance provided to the SBEF by USAID/Bolivia through Chemonics. Specifically, the study was to determine whether the objectives of the SOW for each consultancy were met by the consultants and implemented by the SBEF. For this DO, Chemonics contracted Katya Collao. The main findings and

recommendations from her report, "Evaluación del Impacto de Asesoría Técnica y Capacitación de USAID Suministrada" (Impact Evaluation of Technical Assistance and Capacity Building Provided by USAID) published February 2001 were that while the SBEF was satisfied with the various projects completed and found many of the studies important, there should be an increase in communication between the SBEF, USAID/Bolivia, and Chemonics regarding final versions of SOWs and satisfaction regarding deliverables. It also suggested that SOWs be written with more detail to reduce confusion by all parties on expected deliverables and timeframes.

### **103 Environmental Impact Assessment of Microenterprises**

The purpose of this study was three fold: 1) determine the impact of microenterprises on the environment; 2) assess the role of MFIs as intermediary links to microenterprises; and 3) evaluate the lending process and procedures of MFIs to identify possible areas for incorporating environmental considerations in loan review procedures. For this DO, Chemonics contracted Richard Donald, Rafael Acevedo, Jose Pereira, and Jean Anne Beasley.

Their final report, "Estudio Ambiental de Microfinanzas" (Environmental Microfinance Study) published in March 2001 found that not only has little or no consideration been given to environmental issues associated with microfinance but that MFI managers and government regulators expressed concern over anticipated costs and time associated with environmental assessment and management. The study also found that while the majority of microenterprises have little or no environmental effects, environmental issues, particularly in rural areas, stem from the crafts, metal works, bricks and lime kilns, tanneries, textile, agriculture, and food processing sectors. The authors recommended that USAID/Bolivia support the development of implementation systems for tracking and reporting on the environmental issues in microfinance projects, collaborate and form a consensus with other donors on an approach to environmental assessment and management of microfinance, design and implement a pilot project to test the authors' two proposed assessment and mitigation models, and develop other lending instruments and programs to support cleaner production technology in microenterprises.

### **ii. Task Order Management and Planning with USAID/Bolivia**

**4** James Hochschwender, a Project Manager for Chemonics' MicroServe IQC, traveled to La Paz for project start-up and to familiarize himself with the USAID/Bolivia's microfinance program and perform an initial assessment of the microenterprise sector.

**18** Melissa Gentry, a Project Manager for Chemonics' MicroServe IQC, worked with USAID/Bolivia to identify and approve consultants for upcoming DOs, program upcoming TA and training, and design a communication system to allow USAID/Bolivia to monitor and evaluate the TA activities being implemented in parallel.

**36** Anne Bordonaro, a Project Administrator for Chemonics' MicroServe IQC, worked with USAID/Bolivia to plan TA and training, to improve communication systems, and to develop SOWs.

**84 and 104**

Miguel Rivarola, a Technical Advisor for Chemonics' MicroServe IQC served as Technical Advisor for the drafting of SOWs and the review of final reports.

**102 Tara Simpson, a Project Administrator** for Chemonics' MicroServe IQC, traveled to Bolivia to assist in the programming of TA and training as well as the drafting of SOWs.

**iii. Domestic and International Training Organized with USAID Bolivia****81 Savings Mobilization Conference**

Under this DO, USAID/Bolivia funded Claudio Gonzalez Vega to travel to Santa Cruz, Bolivia to present a paper on effective savings mobilization in May 2000.

**107 Coordination of International Training**

Jose Sanabria and Jocelyn Wyatt of Chemonics' International Education and Training Department, coordinated international training events for local Bolivians. Under this DO, Hugo Bellot and Neysa Vasquez of ProMujer participated in a study tour of Compartamos in Mexico in March 2001, Hugo Flores of Caja los Andes participated in a study tour on savings mobilization of Caja de Arequipa in Peru and Banco Solidario in Ecuador, Oscar Vedia attended a "training for trainers" course in Mexico City from Feb. 25, - Mar. 2, 2001, and Gonzalo Tezanos Pinto and Dulfredo Rojas Valencia of Prodem attended finance training in Washington, D.C. in March 2001.

**111 Rural Finance Round Table**

Given the need for financial services in rural areas, USAID/Bolivia held a round table discussion with microfinance practitioners, policy makers, and other interested stakeholders to identify constraints to the expansion of financial services in rural areas and to discuss the appropriate vehicles for success. Under this DO, Chemonics contracted Claudio Gonzalez Vega, Director of the Rural Finance Program for Ohio State University, to give a short presentation on international experiences in rural financial services, lessons learned, challenges and future trends, as well as to promote and moderate participant discussion and draw conclusions with recommendations.

**B. SBEF/VMF****2 Licensing of FIE as an FFP**

Miguel Rivarola of Chemonics worked with the SBEF to evaluate a proposal from FIE to become licensed as an FFP. In determining the validity of the proposed licensing, FIE's microenterprise finance technology, activities, strategies, operations, and past performance were all evaluated. Miguel Rivarola's report, "Evaluación de la Propuesta de Constitución del Fondo Financiero Privado para el Fomento de Iniciativas Económicas" (Evaluation of the Proposal of the Constitution of the Private Financial Fund for the Increase of Economic Initiatives) was published in October 1996 and focused on a thorough evaluation of FIE and their application to

the SBEF. The author also proposed suggestions to increase FIE's success, and recommended that FIE be licensed as an FFP.

## **11 Creation of FFP Ecofuturo**

Mario Davalos and William Tucker were contracted by Chemonics to provide support to the SBEF in their evaluation of five NGOs: 1) ANED (Asociación Nacional Ecueménica de Desarrollo, National Ecumenical Association of Development); 2) CIDRE (Centro de Investigaciones y Desarrollo Regional, Center for Investigation and Regional Development); 3) FADES (Fundación para Alternativas de Desarrollo, Foundation for Development Alternatives); 4) IDEPRO (Instituto para el Desarrollo de la Pequeña Unidad Productiva, Institute for the Development of Small Production Units); and 5) UNITAS (Union Nacional de Instituciones para el Trabajo de Acción Social, National Union of Institutions for Social Action Work) that were planning to merge and create the FFP Ecofuturo. In this analysis, each NGO was evaluated based on their credit technologies, activities, strategic plans, operations, risk management, and training.

Mario Davalos and William Tuckers' report, "Evaluación del Proyecto de Constitución del Fondo Financiero Privado Ecofuturo" (Report on the Incorporation of Ecofuturo as a Private Financial Fund) was published in July 1998 and focused on the strengths and weaknesses of the creation of Ecofuturo. Major strengths noted were that all the NGOs had experience in the microenterprise sector, particularly in microcredit, and had similar solidarity group and individual loan methodologies. Weaknesses cited were the risks associated with credit and technology transfers and financial structures. In their report, the authors suggested that the SBEF continue in the process to license Ecofuturo as an FFP.

## **24 Development of Regulation Framework and Legislation**

The objective of this DO was the provision of a variety of TA activities to the SBEF related to the regulatory framework for specialized consumer microcredit institutions, specifically the FFPs and the saving and loan cooperatives. The International Consulting Consortium, Inc. (ICC) was contracted by Chemonics to concentrate on the following 12 areas during their consultancy: 1) regulation proposal for the application of article 45 of the Banks and Financial Institutions' Law, Supreme Decree 24000 and Supreme Decree 24439, changing the limitations on the amount of loan portfolio that can be supported by personal guarantees or supported by non-collateralized loans; 2) revision of the regulations regarding minimum capital requirements of FFPs; 3) elaboration of the rules regarding the treatment of subordinated credit; 4) external audit regulations for FFPs; 5) elaboration of the regulations regarding the evaluation and qualification of loan portfolios of FFPs; 6) internal control regulations for FFPs; 7) development of a proposal regarding the responsibilities of governing levels within FFPs; 8) analysis of the legal framework for the development of leasing operations; 9) proposition of regulation regarding the liquidation of FFPs; 10) elaboration of the regulations regarding information and regular reporting requirements of FFPs that need to be submitted to the SBEF, including the details and regularity of such reports; 11) elaboration of the regulations regarding inspection visits of FFPs by SBEF staff, including the specifics of such inspections and the regularity of such visits; and 12) provision of overall general support to the SBEF regarding new legislation proposed by the GOB affecting the regulation and supervision MFIs in Bolivia.

## 27 System Audit and Design

Luis Ramirez and Omar Sanchez were contracted by Chemonics to work the SBEF to develop a standardized system of audits for all NGOs applying to become licensed FFPs under new Bolivia legislation. In their design, detailed in the report, "Sistema de Información Operativo y Gerencial" (Management and Operational Information System) published September 2000, they focused on the development of means to evaluate institutional activity such as credit actions, portfolio quality, and the structure of liabilities.

## 31 Adjustments to Prudential Norms

Roberto Araya was contracted by Chemonics to assist the SBEF in the adjustments of existing prudential norms to make them more appropriate for the specialized institutions that disburse consumer credit based on the risks in the sector and the need for effective supervision. His report, "Manual de Inspección de Tecnologías Financieras en Créditos de Consumo" (Manual for the Inspection of Financial Technology in Consumer Credit) published in March 2000, focused on analysis of the principle difficulties in the implementation of credit technologies and recommendations regarding inspections of credit information offices, commercial offices, and management systems.

## 35 Prodem Licensing Review

Miguel Rivarola of Chemonics reviewed and provided recommendations on Prodem's application materials submitted to the SBEF requesting an operating license. Miguel Rivarola's report, "Evaluación Parcial de los Documentos presentados por la Fundación para la Promoción y Desarrollo de la Microempresa (Prodem) para Obtener la Licencia de Funcionamiento" (Partial Evaluation of the Presented Documents for the Foundation of the Promotion and Development of Microenterprise (Prodem) in Order to Obtain a Functioning License) was published in February 2000 based on his review of Prodem's documentation to receive an operating license from the SBEF. The author found that while Prodem was close to having all products and systems functioning, their accounting system was new, the MIS was in its final testing phases, and a savings product had been developed but not implemented. Further investigation found that Prodem's training systems needed to be developed. The author's recommendation was that the SBEF grant an operating license to Prodem, but with restrictions until the accounting, MIS, and training systems could be fully developed by the institution.

## 43 Credit Bureau Study

Chemonics contracted Guillermo Bolaños to work in conjunction with the SBEF on the expansion of information in their Risk Center and the establishment of credit bureaus based on modifications to Law Number 1488 of Banks and Financial Entities. His report, "Establecimiento de Oficina de Información de Crédito y Ampliación de la Información de la Central de Riesgos de la SBEF" (Establishment of a Credit Information Office and Expansion of the Information from the Central Risk Bureau of the SBEF) published in February 2000, provided various recommendations on specific articles of the law so as to allow for the expansion of credit bureaus.

#### **44 and 106 Alternatives for Self-Regulation for MFIs**

Chemonics contracted ICC to identify voluntary supervision alternatives for microfinance NGOs not regulated by the SBEF. Their report, "Las Organizaciones Privadas de Pequeño y Microcrédito (OPMs): Proyecto de Normativa de Autoregulación" (Rules for Self-Regulation of Small and Microcredit Institutions) published in September 2000, focused on alternative methodologies so that those who voluntarily accept the supervision will have a mechanism trusted by financing entities, both national and foreign, public and private, in the sense that they participate in a sound monitoring system of their institutional, financial, and economic performance. The report generated ideas that were intended to serve as a foundation for either a Supreme Decree bill or other legal instrument. Under DO No. 106, ICC was contracted by Chemonics to review and incorporate comments received by the VMF on the first draft of their report on the self regulation laws for NGOs produced under DO No. 44 as well as provide workshops on their findings to various VAF personnel.

#### **46 Computer Systems of the Risk Center Update**

Chemonics contract Luis Lupiac to work in conjunction with the SBEF, VMF, and Guillermo Bolaños contracted under DO No. 43, on the development of forms of capturing data from the risk center and credit bureau to be organized to facilitate exchange of credit information between the two government agencies. His various system ideas were captured in his report, "Sistemas Computarizados de la Central de Riesgos de la SBEF y de la Oficina de Información de Crédito" (Computerized Systems for the Central Risk Bureau and the Credit Information Office) published in October 2000.

#### **63 General Technical Assistance**

ICC was contracted by Chemonics to provide general TA to the SBEF on four specific items: 1) regulation of correspondent contracts; 2) modification of the Norm for Branches and Agencies; 3) revision of the Economic Reactivation Law; and 4) general support in relation to proposed legislation affecting regulation and supervision of MFIs in Bolivia. In their review of correspondent contracts, ICC analyzed the existing legal framework and the related norms to the subscription of the contracts and developed a regulation project. They also worked to regulate Article 20 of the Property and Popular Credit law, promote the expansion of financial services, and expand the norms of the SBEF with regard to contracts, especially in authorizing the supervised entities to engage in these contracts. ICC's work on modifying the Norm for Branches and Agencies focused on the expansion of the norms of the SBEF to make them more flexible in order to propose the opening of mobile offices, either on wheels or market-style, through more flexible hours of operation and in required documentation. ICC not only analyzed the norms related to branches and agencies, but also developed a regulation project. ICC's work regarding the revision of the Economic Reactivation law and the drafting of correspondent regulations involved participating in SBEF meetings on the topic, supporting the editing of the law, and supporting the drafting of the regulations to the law. Finally, ICC provided general assistance to the SBEF on issues related to new legislation that was pending approval by the Bolivian National Congress.

## **64 Evaluation of the Impact of Microcredit on the Economy**

The objectives of this DO were to analyze the effects of the development of microcredit by formal MFIs and their clients, identify the tendencies of the microfinance market, and the emerging risks and opportunities. For this study, Chemonics contracted Miguel Cabal. This DO also called for the design of a monitoring and evaluation system of the formalized MFI sector in Bolivia so that the SBEF would be able to more accurately identify tendencies, risks, and potential of the sector.

Miguel Cabal produced a report, "Estudio de Evaluación de Impacto del Microcredito en el Sistema Financiero y Análisis de Tendencias" (Impact Evaluation Study of Microcredit on the Financial System and an Analysis of Tendencies) published in March 2001 that focused on the definition of a conceptual and methodological mark, analysis of the characteristics in the development of the microfinance sector in the 1990s, analysis of the effects of this development on clients, practitioners, and the market, and the identification of the principle tendencies of the microfinance sector in Bolivia with the potential risks. This report also included the design of the monitoring and evaluation system allowing for the SBEF to evaluate the impact of the microfinance system on clients as well as to analyze more clearly the demand for financial services.

## **65 Crisis Management**

ICC was contracted by Chemonics to provide TA to the SBEF in relation to the regulatory framework for the management of problem institutions. ICC revised the regulations related to control and supervision of the liquidation process of banks and private financial funds, including procedures for repayment of liabilities through delivery of assets to the Central Bank and the Treasury, and mechanisms for control and follow-up of litigation related to irregularities and infractions against banking laws and regulations. ICC also revised accounting practices, regulations, procedures of payment of preferred liabilities, and financial statements applicable to banks and FFPs in the process of liquidation. These revisions were done in the context of the proposed article 62 of the Project Law for the Strengthening of the Systems of Financial Intermediation.

## **66 Accounts Manual**

Given the SBEF's need to focus more on the risks associated with commercial banks operating in the microfinance sector and to develop a financial sector analysis tool with which to enable it to consolidate financial information internally and externally from the public and private sectors, ICC was contracted by Chemonics to support the SBEF in their revision of their Chart of Accounts. Specific tasks included the drafting of proposals on accounting for delinquent portfolios, accounting standards, new financial operations, contingent lines of credit and memorandum accounts, investment, titles, and a report which would track the cash allocations by sector and economic activity to support the goals of the Central Bank.

## **67 Adjustments to Supervision Procedures of Microfinance Entities**

Chemonics contracted Jeffrey Poyo to conduct a CAMEL and PERLAS analysis of the SBEF's supervision procedures for MFIs given the SBEF's need to standardize their field inspection procedures. Another objective of this DO was to create an Inspection Manual and train SBEF personnel in its use. The resulting report, "Evaluación de los Instrumentos de Análisis Institucional de la Intendencia de Entidades No-Bancarias de la Superintendencia de Bancos y Entidades Financieras de Bolivia" (Evaluation of the Institutional Analysis Instruments of the SBEF in Bolivia) published in March 2001 focused on a technical comparison of the diverse instruments of analysis and the development of a supervision model to serve the three divisions of the SBEF. The "Manual de Supervisión: Intendencia de Supervisión de Entidades No Bancarias," (Manual of Supervision of Non-Banking Entities) also developed in March 2001, was designed to serve as a practical guide. It conceptually described the principle risks that confront MFIs and the analytical instruments that should be applied by the SBEF to evaluate the degree of risk as well as suggestions on how the SBEF should respond accordingly.

## **68 Analysis of Instruments, Processes and Information**

Chemonics contracted ICC to analyze the instruments, processes, and information that the SBEF uses to evaluate the credit portfolios of MFIs, propose extensions and improvements that would allow for the establishment of the size of the microcredit market, the levels of indebtedness in the different segments and sectors, and the clients and markets that are being shared by the MFIs. ICC also worked on the revision of the products that can be obtained from the Credit Bureau of the SBEF, the evaluation of the microcredit portfolios of the supervised MFIs, and defined and implemented new products in conjunction with the Information Systems Unit of the SBEF.

## **97 Analysis of the Taxation Code Law**

Chemonics contracted Cristina Loza to revise the financial and taxation norms from a financial perspective. In her report, "Análisis de la Incidencia del Proyecto de Ley de Código Tributario sobre el Sistema de Intermediación Financiera" (Analysis of the Incidence of the Project of the Taxation Code Law on the Financial Intermediation System) published in March 2001, she performed an analysis of the Taxation Code Law to determine the possible impacts on MFI operations. The author proposed modifications to the law so as to reduce its possible negative effects.

## **98 Amendment of the Regulation on Trust, Evaluation of the Current Microcredit Model, and Transformation of Savings and Credit Cooperatives into FFPs**

Chemonics contracted ICC to provide TA on the variety of topics described above. ICC analyzed SBEF records related to the application for the transformation of the Savings and Credit FinanciaCoop Cooperative into a FFP. They investigated the creation of institutional policies or a regulatory framework for the transformation of Open Savings and Credit Cooperatives in relation to the evaluation of solvency and suitability in the financial activity of the founders, directors, and managers of a financial entity. In this investigation, ICC analyzed the General Law for Cooperative Societies, Civil Code, Financial Entities and Banks Law, Supreme Decree Nos. 24439 and 24000, and Commercial Code. ICC also analyzed the expansion of the SBEF's

microcredit model, with a focus on the reliance on information at the consolidated level, credit type, and market risks of microcredit. Finally, ICC updated the trust regulation to the latest legislation issued, both for the financial intermediation and securities markets. This regulation allowed banking supervisors to practice integral supervision in order to adequately monitor these operations. ICC identified the necessary changes to the current regulation, including limits to trust operations, and analyzed their practical viability. ICC also drafted the Trust Regulation project, presented it to the SBEF, and integrated requested modifications.

## **110 Revision of The Financial Intermediation Systems Strengthening Law**

Chemonics contracted ICC to work with the VMF on the proposition of adjustments to the Financial Intermediation Systems Strengthening Law, with specific emphasis on the revision of the modifications of Law Number 1488 from April 14th, 1993 with regard to banks and financial entities. ICC also proposed mechanisms for the strengthening of the Committee of Financial Prudence Norms (CONFIP), so that they could be included within the Financial Intermediation Systems Strengthening Law.

### **C. Agrocapital**

At the inception of TA to Agrocapital, the institution was a non-profit foundation that provided credit mainly to Bolivian rural and agricultural areas. It was created in January 1992 and was headquartered in Cochabamba with branches in Mizque, Punata, Villa Tunari, Ivirgarzama, Yapacani, Montero, Santa Cruz, El Alto, and La Paz. Sartawi was also a non-profit Bolivian financial institution that managed a credit system in the rural areas of Bolivia. In 1990, Sartawi began credit activities and had main offices in La Paz, Oruro, and Cochabamba, with branches located in Villa Remedios, Tiahuanacu, Challapata, and Quillacollo. The main focus of TA focused on analyzing a merger between the two organizations, Agrocapital's proposal to the SBEF to become an FFP and the development of Agrocapital's operating systems.

### **1 Analysis of Potential Merger of Agrocapital and Sartawi**

Chemonics contracted Ken Peoples to identify the advantages and disadvantages of an Agrocapital and Sartawi merger, taking into consideration the present financial situations of the companies and future prospects. The objective of this DO was also to propose how to successfully orchestrate and implement a merger and create a FFP. In Ken Peoples' report, "Consideraciones para una Fusión entre la Fundación Sartawi y la Fundación Agrocapital: Informe de Conclusión" (Consideration of a Merger Between the Sawarti Foundation and the Agrocapital Foundation) published in November 1996, he proposed several advantages and disadvantages to a merger. Selected advantages included strong capitalization to attract debt and equity investments, reduction of operating costs, and market expansion. Possible disadvantages included Sartawi's declining profitability and efficiency, institutional differences in their respective stages in the FFP application process and the cost of capital for both organizations. Recommendations included the creation of an independent entity to reduce management issues and ease the FFP application process as well as the need for each organization to conduct a thorough due diligence of each other's organizations.

## **7 Due Diligence Analysis and Evaluation of ACDI's Equity Investment Proposal**

The objective of this DO was threefold: 1) conduct a due diligence analysis of Agrocapital, at the request of Sartawi and given the possibility of a merger and the due diligence analysis that had already been performed on Sartawi; 2) conduct an evaluation of ACDI's (Agricultural Cooperative Development International) proposal to receive \$500,000 in grant funds from USAID/Bolivia to invest in Agrocapital as a shareholder, once the merger is complete and it has become a FFP; and 3) evaluate the institution's FFP process. For this assignment, Chemonics contracted Camilo Arenas, Rodolfo Cardone, and Victor Hugo Fernandez, and Gonzalo Angles. In June 1997, the team produced the report "Diligencia Propia de la Fundación Agrocapital" (Due Diligence Study of the Agrocapital Foundation).

This report analyzed Agrocapital's strengths, weakness, opportunities, threats, and financial status. Camilo Arenas and Victor Fernandez produced two reports, "Evaluación de la Constitución Propuesta del Fondo Financiero Privado Agrocapital" (Evaluation of the Proposed Constitution of the Private Financial Fund, Agrocapital) and "Revisión y Evaluación de la Propuesta de Agricultural Cooperative Development International (ACDI)" (Revision and Evaluation of the ACDI Proposal) in July 1997. The first report analyzed the mission, objectives, organization, and assets and liabilities transfer of the proposed entity and provided recommendations. The second report analyzed ACDI's proposal and recommended that ACDI's role in the organization be clarified, as well as where and how the \$500,000 would be used, and that Agrocapital report every trimester on the status of the relationship with ACDI and its impact on the development of the organization.

## **8 Deposit Services and Savings Product Analysis**

Under this DO, Rodolfo Cardone was contracted by Chemonics to conduct a cost analysis to evaluate the advantages and disadvantages of offering deposit services to the general public in rural and semi-rural areas vis-a-vis the financial operating costs incurred by the proposed FFP Agrocapital in providing such services. Also under this DO, Arelis Gomez was contracted by Chemonics to identify the most appropriate products for capturing savings deposits, with a focus for each product developed on the definition of the market, strategies for maximum outreach, forms, procedures, and staff training. Camilo Arenas served as Team Leader, supervising the cost analysis and elaborating the internal policies and procedures, forms, compatibility of software, and training of staff. The findings were to be incorporated into Agrocapital's final FFP application to the SBEF.

In their report, "El Servicio de Ahorro en el Fondo Financiero Privado para Agrocapital," (Savings Services for Agrocapital FFP) from December 1997, the authors concluded that after interviewing 51 clients and 12 non-clients, Agrocapital had a good image in its industry, though 20 percent of medium and large-sized enterprises thought that credit amounts were too low, 60 percent felt it was hard to obtain credit guarantees, and 11 percent of the microentrepreneurs surveyed thought that client attention was deficient. The study also found that most of those interviewed thought Agrocapital was a commercial bank rather than an NGO and many were not saving either due to lack of trust or saving services. The main recommendations outlined in the report included adding savings products given strong demand, in particular among small entrepreneur clients, continued operations in current markets, but with an increase in services,

focusing on rapid access accounts for the Cochabamba and Santa Cruz areas, and creating incentives for personnel.

## **19 Diagnostic of Internal Control and Security Systems**

For this DO, Rodolfo Cardone analyzed and detailed the steps Agrocapital should take in order to become an FFP and increase its competitiveness with other formal financial institutions, with a particular focus on the development of an Internal Control Manual. In his report, "Diagnóstico Institucional para la Transformación de la Fundación Agrocapital en Fondo Financiero Privado" (Institutional Diagnostic for the Transformation of Agrocapital into an FFP) published in August 1998, he recommended that Agrocapital approve a definitive organizational structure, revise their operations and procedures manual, and develop a systems manual and solid management information and internal control systems. Also produced under this DO was Rodolfo Cardone's "Sistema de Control Interno para Agrocapital" (Internal Control System for Agrocapital) also published in August 1998, which served as a manual for Agrocapital's development of a more complete internal control system.

## **23 Development of Cost Center and Budget Controls**

Chemonics contracted Eugenio Balestie to provide guidelines to be incorporated into the new operating structure for Agrocapital in order to set up its costs and control center so as to remain financially viable and comply with SBEF regulations in order to become a FFP. His report, "Agrocapital: Módulo de Centro de Costos y Control Presupuestario" (Agrocapital: Module for the Cost Center and Budgetary Control) published in November 1998, focused on defining a cost center for the central office, agencies, and branches; establishing a methodology to distribute shared expenses among the offices and agencies, and designing systems for profitability and economic/financial analysis. Agrocapital's personnel were trained in the development and usage of these different analytical instruments. Recommendations included that costs and expenses should be well organized into groups such as Finance, Credit and Operational Activities as well as be divided into functional groupings and by branch. Furthermore, it was proposed that clear accounting systems are also important to make it easier to obtain financial information from each branch so as to identify where income was generated and where the financial disbursements originated in the capturing of deposits.

## **26 Administration and Financial Planning**

Chemonics contracted Guillermo Bolaños to create a manual to serve as a guide for prudent financial management of Agrocapital's funds to assist in the development of a successful financial strategy to meet the needs of its clients and shareholders. Guillermo Bolaños' "Manual de Planificación y Administración Financiera para Agrocapital" (Planning and Financial Administration Manual for Agrocapital) published in February 2000 focused on four areas: 1) principles of analysis, planning, and financial and strategic management; 2) fundamentals of asset and liability management, operations, risks, and treasury and liquidity management; 3) the roles of the Financial Manager and Treasurer; and 4) the economic principles of interest rate and foreign exchange risk management, internal transfer rates, and calculation of effective costs.

## **D. Caja los Andes**

Caja los Andes was one of the first institutions in Bolivia to become an FFP, receiving its license from the SBEF in July 1995. Given its longevity in the sector, TA focused on the refinement of institutional policies and procedures, market studies, and new product development to expand into new markets.

### **34 Operations, Administration and Financial Management Manual**

Chemonics contracted Pablo Gonzalez to work with Caja los Andes in five principle areas to: 1) perform an organizational diagnostic; 2) revise and develop organization and function manuals; 3) improve their MIS; 4) develop internal control systems; and 5) train personnel. In March through August 1999, Pablo Gonzalez detailed his findings and recommendations in a report, "Consultoría de Fortalecimiento Institucional" (Consultancy for Institutional Strengthening).

### **47 Design of New Financial Products**

Jose Diaz, Maria Acuña, Luis Gallegos, and Willy Escobedo were contracted by Chemonics to investigate with Caja los Andes the development of new financial products based on the results of Miguel Cabal's market study completed under DO No. 48. Included in the development of new products were the design of a market study and the training of personnel. Their report, "Diseño de Nuevos Productos de Captación de Depósitos para Caja los Andes" (Design of New Products for Capturing Deposits for Caja los Andes) published in March 2001, detailed short, medium, and long-term strategies based on their investigation. Short-term strategies included pursuing Banco Santa Cruz's discarded small enterprise clients, improving the process for opening new accounts, allowing for withdrawals in any agency, and investigating the use of radio advertising. Medium-term strategies included maintaining high quality customer service, improving the appearance of agencies, and creating new deposit products. Finally, long-term recommendations were to improve the corporate image, utilize informative press notes, and enhance deposit information systems.

### **48 Financial Products Market Study**

Chemonics contracted Miguel Cabal to cooperate with Caja los Andes on a marketing study focusing on the identification of the needs and priorities of actual and potential clients, with the objective of eventually designing new financial products based on the results. Major findings in his report, "Estudio de Mercado de Productos Financieros para Caja los Andes S.A.F.F.P." (Market Study of Financial Products for Caja los Andes S.A.F.F.P.) published in December 2000 included that there was a demand for savings products, such as for health, accidents, and education expenses and public services; and that the majority of Caja los Andes' clients saw them as a credit rather than savings organization and were not familiar with products outside of their usual ones. It was also recommended that Caja los Andes explore the wage, agricultural, and enterprise sectors in rural areas, providing attention to offering products that could adapt to the varying needs.

## **49 Small Enterprise Product Development**

For this DO, Chemonics contracted Castel Quiroga with the objective to develop or redesign credit products and the strengthening of credit technologies for small enterprises, including the analysis of the required changes to the data processing system that would be necessary for the adoption of such new products. Included in this DO were the design of a market strategy and the training of personnel. Castel Quiroga's report, "Evaluación y Diseño de Productos para la Pequeña Empresa" (Evaluation and Design of Products for Small Enterprises) published in March 2001 provided an analysis of the market for credit products to small enterprises and recommendations to Caja los Andes for their successful entry into this market. The author found that there was effective demand for credit by small enterprises and that the institution should be able to attract new clients given its experience and solid reputation. In order to successfully manage small enterprise loans, it was recommended that Caja los Andes undertake a functional reorganization, update their MIS, and that lease financing be a product that Caja los Andes should consider offering given the apparent demand among small enterprises.

## **85 Design of Products and Strengthening of Credit Technology for Micro and Small-Scale Enterprises**

The objectives of this study were to work in conjunction with Caja los Andes on the redesign of credit products for microenterprises. For this assignment Chemonics contracted Juan Carlos Arenas who produced the report "Rediseño de Productos y Fortalecimiento de Tecnología Crediticia para Microempresa y Apoyo en Pequeña Empresa" (Redesign and Strengthening of Credit Technology for Microenterprise and Aid to Small Enterprise) in March 2001 that provided specific analysis in regard to credit to microenterprises, seasonal credit, parallel credit, preferential credit, and certificate of deposit guarantee credit. The report also provided support for the implementation of a strategy to develop loans to small and medium enterprises, modification of the MIS reports, and the training of staff on new credit technologies.

## **E. Crecer**

Crecer is a Bolivian non-profit organization that has been affiliated with the international NGO Freedom from Hunger. Since its inception in 1990, Crecer has focused on the use of communal banks and the provision of credit with education. During the period of TA services, Crecer began the transformation from an international non-profit to a Bolivian non-profit. Crecer has focused primarily on financial services in rural areas of Bolivia, with offices in La Paz, Cochabamba, Oruro and Sucre. TA services focused on a thorough diagnostic of Crecer's microcredit programs and the development of internal control and MISs.

## **75 Diagnostic of Microcredit Program**

The objective of this DO was to evaluate the strengths and weaknesses of Crecer and its capacity to grow in the upcoming years. Chemonics contracted Jacky Bass to conduct a diagnostic of the institution and evaluate the administrative structure, operations, accounting, procedures, flow of information, internal controls, and MIS and to recommend means to which Crecer could improve so as to continue to grow.

Jacky Bass's report, "Diagnóstico del Programa de Microcrédito" (Diagnostic of the Microcredit Program) published in May 1999 discussed the consolidation of the organization as a Bolivian NGO rather than an international NGO and structural developments to increase clients and services. Specific recommendations included improving the management information and internal control systems, and continuing their process of decentralization.

## **76 Internal Control and Systems Manuals**

Under this DO, Chemonics contracted Mireya Martinez to work with Crecer to complete a diagnostic of the internal controls of the institution. Based on a complete diagnostic, two manuals were produced. The first, "Desarrollo del Proyecto de Control Interno: Manual de Procedimientos" (Development of an Internal Control Project: Procedures Manual), focused on the credit model, the means to effectively manage safes, office security, fixed assets, delivery of funds and unloading of personnel accounts, politics, procedures, forms, and descriptions. The second manual, "Manual de Auditoría Interna" (Internal Auditing Manual), focused on the organizational structure, profile of an auditor, branch functions, jobs, outlines for a standard work plan, and an auditing strategy. The objective in producing the manuals was to promote the establishment of a control system that would draw from the application of existing internal controls, norms, and policies.

## **86 Development of Management Information System**

This DO was divided into two components. Chemonics' consultant Omar Sanchez carried out the first component. In his report, "Sistema de Información Gerencial" (Management Information System) published in March 2001, he analyzed Crecer's current MIS and determined required changes based on Crecer's needs and development. Chemonics' consultant Carlos Ditmeyer carried out the second component of this DO. The purpose of his consultancy was to complement the first phase by investigating and proposing software that would suit Crecer's needs. In his report, "Informe de Visita a ULO Viacha" (Report on the Visit to ULO Viacha) published in March 2001, Carlos Ditmeyer detailed his investigations into Crecer's systems, principally noting their antiquated accounting system, creation of a data warehousing system for historical data, investigations into the use of Pocket PCs given Crecer's various rural field offices and the development of an early financial warning system.

## **F. Ecofuturo**

Ecofuturo obtained its FFP license in May 1999 with the merger of five NGOs: 1) ANED (Asociación Nacional Ecuménica de Desarrollo, National Ecumenical Association of Development); 2) CIDRE (Centro de Investigaciones y Desarrollo Regional, Center for Investigation and Regional Development); 3) FADES (Fundación para Alternativas de Desarrollo, Foundation for Development Alternatives); 4) IDEPRO (Instituto para el Desarrollo de la Pequeña Unidad Productiva, Institute for the Development of Small Production Units); and 5) UNITAS (Union Nacional de Instituciones para el Trabajo de Acción Social, National Union of Institutions for Social Action Work). Ecofuturo focuses on the provision of financial services to support the development of micro and small enterprises in both rural and urban areas. Initial TA was in the area of institutional consolidation while subsequent services provided after the

transition to an FFP included organizational development, creation of detailed manuals, and a business plan.

## **29 Transformation into Consolidated Institution**

Under this DO, Chemonics' consultant, Guillermo Bolaños, was contracted to provide TA services to Ecofuturo in its transformation to a consolidated institution by assisting in developing SOWs for future consultancies and coordinating all TA delivered to the institution. Guillermo Bolaños's report, "Consolidación Institucional" (Institutional Consolidation) published in August 1999, discussed his coordination of all the remaining organizational issues for Ecofuturo to obtain an FFP license from the SBEF. This coordination focused on a periodical diagnostics recommending adjustments to the work plan, elaborating the business plan and recommending changes to administrative management.

## **33 Financial Administration and Planning Manuals**

For this DO, Guillermo Bolaños was again contracted by Chemonics to produce a financial administration and planning manual to assist Ecofuturo in its future success and refinement of its processes. His manual, "Manual de Administración Financiera" (Financial Administration Manual) published in September 1999 focused on the analysis of the scope of financial management, functions and attributes of the financial management and strategic planning, politics and procedures of financial management, differences in usage levels of the models, implementation of the primary financial objectives, administration of assets and liabilities, functions, attributes, and politics, and procedures of the treasury.

## **37 Acquisitions Manual**

Guillermo Bolaños continued his TA on behalf of Chemonics and USAID/Bolivia by producing a manual on procedures for the registry and control of inventory and acquisitions so as to further develop Ecofuturo's institutional capacity. His manual, "Manual de Procedimientos para Adquisiciones" (Acquisitions Procedures Manual) published in November 1999, focused on the plan for acquisitions and contracting, methods of contracting, types of contracts, competency requirements, socioeconomic programs, control of quality, bonds and insurance, construction contracts, service contracts, and information technology of acquisitions.

## **38 Human Resources Manual and Training Plan**

Under this DO, Chemonics contracted Marta Arguello and Xavier Aguilar to work with Ecofuturo on the expansion of their policies, administration procedures, and human resource development manual as well as to develop a general training plan for Ecofuturo personnel over the next two years. In their manual, "Manual de Recursos Humanos" (Human Resources Manual) published in September 1999, they detailed recommended systems and procedures in the human resource areas such as authority and responsibility, recruitment and contracting, assistance, confidentiality, conduct and discipline, salary, bonds, subsidies, insurance, licenses, sickness, unemployment, training and development, and social benefits.

### **39 Portfolio Administration Manual**

Under this DO, Rodolfo Cardone was contracted to work with Ecofuturo on the development of a portfolio administration manual containing the principles, methodology, and procedures for the monitoring and adjustment of the loan portfolio risk level. This manual was to not only be in line with Ecofuturo's strategy but also establish limits regarding products, regions, and sectors. Rodolfo Cardone's manual, "Sistema de Administración de Cartera Activa" (System of Administration of an Active Portfolio) published in February 2000, focused on the definition of the institutional credit risks, focusing on principles, politics, strategies, and administrative procedures adoption of a methodology for the administration of risks and continual evaluation, definition of the information system's current and needed functioning level and definition of personnel responsibilities.

### **52 Operations and Management Information System**

Luis Ramirez and Omar Sanchez were contracted by Chemonics to design an MIS for Ecofuturo to allow for the effective pursuit of the institutional activities such as credit action, portfolio quality, and the structure of the liabilities. The design of the system was also to allow for daily, weekly, and monthly reports in order to correct problems or reinforce positive tendencies. In their report, "Sistema de Información Operativo y Gerencial" (Management and Operations Information System) published in March 2001, they detailed the functions of the developed system, highlighted the means in which the system would improve operations in Ecofuturo, and the training required for personnel in its effective use.

### **54 Organization and Functions Manual**

Under this DO, Rodolfo Cardone was again contracted to work with Ecofuturo on their development of an organization and functions manual, focusing on the clear definition of the organizational structure and the responsibilities. He produced the report, "Antecedentes para la Formulación de un Manual de Organización y Funciones" (Antecedents for the Formulation of a Manual of Organization and Functions) published in February 2001. The focus of the report was an analysis into possible changes to the organizational structure so as to align Ecofuturo more clearly with the institution's vision, mission, and strategic objectives. Additionally, the report provided recommendations on how to achieve more effective human resource management by elaborating specific employee qualifications and requirements for each group on the designed organizational structure. Also under this DO, Rodolfo Cardone produced the document, "Manual de Organización y Funciones" (Manual of Organization and Functions).

### **55 Training, General Assessment, and Business Planning**

This DO was divided into two distinct studies. Under the first consultancy, Chemonics contracted Oscar Garcia and Ramiro Ortega to analyze Ecofuturo's market, politics, and administration in order to design a business plan. Their report, "Asesoría de Planificación Estratégica" (Technical Assistance in Strategic Planning) published in March 2001, focused on the definition of the organization's vision and mission, a diagnostic of the external and internal environments and the creation of a business plan. The second component of this DO focused on the development of a strategic/consolidation funding plan, which would permit Ecofuturo's

upper management to appropriately orient the various activities of the institution to implement their business strategy. For this component of the DO, Chemonics contracted Luis Bocchio.

The main conclusions reached in Luis Bocchio's report, "Políticas y Procedimientos de Captaciones para Ecofuturo" (Policies and Procedures of Capturing Savings for Ecofuturo) published in February 2001, were that Ecofuturo should take advantage of its regional presence and focus on its existing clientele and attracting potential clients by offering more attractive savings services so as to capture a great percentage of the market share. Also included in the report was an evaluation of Ecofuturo's current products and services and suggested modifications to improve overall productivity and profitability.

## **56 Internal Manual for Personnel**

Under this DO, Ximena Behoteguy was contracted by Chemonics to produce and design the manual "Reglamento Interno para Ecofuturo" (Internal Regulation for Ecofuturo) published in February 2001 that focused on the detailed means of developing Ecofuturo's internal control systems in relation to personnel management, legal ordinances, policies and procedures.

## **G. FIE**

At the initial stage of Chemonics' TA, FIE was a private, non-profit institution offering financial services to promote the sustainable development of microenterprises and small businesses that had limited access to traditional credit sources. During this stage of FIE's operations, TA focused on organizational development and strengthening to increase FIE's ability to obtain a FFP license from the SBEF. In March 1998, FIE obtained its FFP license and experienced an increase in its client base. The focus of TA then shifted to diagnostics on savings products, more effective liquidity management, strategic plans, and credit scoring models.

## **6 Policies and Procedures Updating**

Robert Boni, Camilio Arenas, Jaime Mendoza and Miguel Rivarola worked on behalf of Chemonics to produce a human resource manual, operations procedures, and a management information systems manual for the purpose of upgrading FIE's policies and procedures to meet the standard requirements for licensing by the SBEF in accordance with the Supreme Decree No 24000. Complying with the tasks outlined in the SOW for this assignment, the following seven manuals were produced under the DO: 1) "Manual de Depósitos: Procedimientos, Formularios, Instructivos y Flujogramas" (Deposits Manual: Procedures, Forms and Flowcharts for Private Financial Funds) by Camilio Arenas and Miguel Rivarola in August 1997; 2) "Manual de Operaciones de Crédito: Políticas, Normas, Procedimientos, Evaluación, y Calificación" (Credit Operations Manual: Policies, Norms, Procedures and Evaluation) by Miguel Rivarola in July 1997; 3) "Manual de Procedimientos Administrativos: Políticas, Procedimientos y Flujogramas de Compra de Bienes Tangibles" (Manual of Administrative Procedures: Policies, Procedures and Flowcharts for Purchasing Goods) by Miguel Rivarola in July 1997; 4) "Manual de Procedimientos Administrativos: Políticas, Procedimientos, y Flujogramas de Control de Inventarios y Almances" (Administrative Procedures Manual: Policies, Procedures, and Flowcharts to Manage Inventory and Warehouses) by Miguel Rivarola in July 1997; 5) "Manual de Organización y Funciones" (Organization and Functions Manual) by Miguel Rivarola in July

1997; 6) "Revision del Sistema de Informática del Centro de Fomento a las Iniciativas Económicas" (Information Systems Review of the Center for the Increase of Economic Initiatives) by Robert Boni in April 1997; and 7) "Propuesta Sobre Recursos Humanos para el Fondo Financiero Privado al Centro de Fomento de Iniciativas Económicas" (Human Resources for FFP "Centro de Fomento de Iniciativas Económicas" Report) by Jaime A. Mendoza in August 1997.

## **12 Transition to FFP Assistance**

Under this DO, Miguel Rivarola assisted FIE with its preparation of a staff retreat, detailed training materials on new policies and procedures of FIE as an FFP, and completion of the personnel operations and procedures manual in order for the institution to meet all the necessary recommendations of the SBEF. Miguel Rivarola produced four documents to assist FIE in their transition to a FFP. They were, "Programa de Planificación Estratégica" (Program for Strategic Planning) from July 1997; 2) "Taller de Actualización de Créditos y Ahorros" (Workshop on Savings and Credit Skills) and "Taller de Actualización de Créditos y Ahorros: Casos Prácticos" (Workshop on Savings and Credit Skills: Practical Cases) both published in September 1997; 3) "Taller de Actualización Operativa" (Workshop on the Updating of Operative Systems) from July 1997; and 5) "Taller de Administración Gerencial" (Workshop on General Administration) from September 1997.

## **13 Personnel Operations and Procedures Manual**

Under this DO, Chemonics contracted Eufemio Gonzalez to produce a manual outlining the importance and means of conducting annual employee evaluations, with specific relation to methodology, instruments, and policies. The main recommendations in Eufemio Gonzalez's manual, "Fondo Financiero Privado para el Fomento a las Iniciativas Económicas: Plan General de Capacitación" (Private Financial Fund for the Increase of Economic Initiatives: General Training Plan) published in March 1998, were that evaluations should be conducted by the employee supervisors and job descriptions should serve as a basis for salary readjustment and individual development plans.

## **22 Non-Financial Services Evaluation**

The purpose of this DO was to determine the strength of the non-financial services offered by FIE, to conduct a market study for non-financial services, and to outline steps for FIE to strategically position itself in the market. For this, Chemonics contracted Guillermo Monje, Luis Badouin, and Sandi Zenon. Chemonics' consultants produced the report, "Evaluación de los Servicios No-Financieros de FIE y sus Proyecciones de Mediano Plazo" (Evaluation of the Non-Financial Services offered by FIE and its Medium-Term Projections) published in December 1998. The main findings in the report included that while the market for non-financial services was large, it was also heterogeneous and segmented, that microentrepreneurs need more training services in almost all sectors; that management issues need to be resolved; that computer and management training to non-business groups should be maintained; and that the demand of the microenterprise production sector should be studied by segments and institutional offerings of services in relation should be adjusted in relation to findings.

## **25 Financial Administration Development and Improvement**

Under this DO, Chemonics' consultant Katya Collao provided monthly reports to FIE on her assessments of their supervision of accounting and budgeting procedures and strategic plan and her analysis of their administration of assets and liabilities, with a goal of maximizing the utilization of resources to maintain a positive gap between revenue and expenses, assuring at the same time effective liquidity management. Also under this DO, was the provision of general support to FIE on the assessment of their supervision of their accounting and budgeting procedures and of their strategic plan.

## **42 Management Information System Upgrade**

Under this DO, Chemonics contracted Bruce Brower and John Murdock to work with FIE on their development of a new MIS given its then recent qualification as an FFP. Specific assistance was given in the identification of software options and in the design of transition and training programs.

Bruce Brower and John Murdock's report, "Asistencia Técnica a FIE-FFP para el Desarrollo de Mejores Sistemas de Información" (Technical Assistance to FIE-FFP for the Development of Better MIS) published in September 1999 focused on FIE's current situation, future plans regarding services and clientele, and an analysis of current and future risks. Main findings were that FIE's MIS would be adequate for about two or three years, that improved communication systems were needed given an increase in transaction levels, that FIE operated with a antiquated MIS and projection systems, that the number of branch offices and clients are expected to double by 2002, and that FIE was investigating expansion into rural areas. The main recommendations from the authors were for FIE to create an e-mail network and to buy a commercial software package so as to provide FIE with a better design, more apt to support its future needs. It was also suggested that FIE contract a vendor of the product to head the transition to the new system and train FIE's personnel.

## **61 Diagnostic for Savings Services**

The purpose of this DO was to evaluate the market, design, and administration systems of FIE's three savings products: 1) rotating savings and credit associations; 2) savings accounts; and 3) fixed-term deposits. Chemonics contracted Luis Bocchio who produced the report, "Diagnóstico de Servicios de Ahorro" (Diagnostic of Savings Services) published in February 2000. His report focused on the market for savings products, with an investigation into current and potential clients, and design of new products and implementation plans. His investigation was conducted specifically with regard to fixed-term deposits and savings accounts given demand and not in relation to rotating savings and credit associations due to pending SBEF approval and administration systems, focusing on the costs associated with the development of the new products.

## **89 Liquidity Management Study**

Under this DO, Luis Bocchio was contracted to analyze FIE's administration of liquidity and reserves. Based on his analyses, a manual, computer systems, and standardized report formats

were developed to assist in the improvements. His report, "Mejoramiento de los Sistemas de Liquidez" (Improving Liquidity Systems) published in March 2001 highlighted the need for FIE to create a treasurer position to free up the Financial Manager's duties so they could concentrate on the strategy design for liquidity management and the analysis of FIE's financial position. It also found that FIE should put temporary extra money from savings in short-term investments to increase the profitability of the institution and that FIE should hold monthly meetings the CAP (Committee of Assets and Liabilities) to influence internal interest rates policy, analyze the liquidity situation, and make suggestions in liquidity policies.

## **91 Loans to Small Enterprises**

The objectives of this DO were to create two manuals for FIE that contained the policies, norms, and procedures for loans to small enterprises, to propose recommendations regarding the current information system in order to incorporate the needs of the new financial products, and to train FIE staff on the project findings and upcoming changes. For this study, Chemonics contracted Juan Luis Daly who produced "Manual de Análisis de Operaciones de Crédito a la Pequeña Empresa" (Manual of Analysis of Credit Operations of Small Enterprises) and "Manual de Políticas y Procedimientos de Crédito para Préstamos a la Pequeña Empresa" (Manual of Credit Policies and Procedures for Lending to Small Enterprises) published in March 2001. These focused on the rules and procedures that should be in place in order to ensure smooth evaluation and execution processes for the issuance of credit to small enterprises.

## **92 Determination of Unit Costs**

The purpose of this DO was to produce manuals of procedures to determine unitary cost of individual credits for production, business, services, and fixed profits, mortgage credits, fixed-term deposits, training of small savings, transfers, and wires. After a study on all the unitary costs for all financial products, training to FIE staff took place. For these tasks, Chemonics contracted Diego Jaramillo who produced the following documents in March 2001: 1) "Manual de Procedimientos para la Determination de Costos Unitarios de Productos Financieros de Movimiento (Procedures Manual for the Determination of Unit Costs of Financial Movement Products); 2) "Manual de Procedimientos para la Determination de Costos Unitarios de Productos Financieros de Colocación" (Procedures Manual for the Determination of Unit Costs of Financial Location Products); and 3) "Manual de Procedimientos para la Determination de Costos Unitarios de Productos Financieros de Capacitación" (Procedures Manual for Setting Unit Costs for Financial Products to Capture Funds).

## **109 Strategic Business and Alliances Plan**

Under this DO, Chemonics contracted David Schrier develop a strategic business and alliances plan, focusing on the proposition of courses of action and needed resources in order to increase FIE's expansion and success. The major focus areas of his research included an organizational diagnosis and change program, business and strategic plan and strategic alliances. Major recommendations included relaxing the vertical organizational structure to give regional managers direct management of their branches, not launching new products given the current turbulent economic environment, cutting costs, strengthening the portfolio, and postponing the formation of any strategic alliances.

## 112 Management Systems for Measuring Credit Risks

Under this DO, Chemonics contracted Mark Schreiner to develop a credit-scoring model to analyze risks given the unstable economies in Latin America, and particularly Bolivia. This consultant also recommend changes to FIE's information system given the risks outlined in the model and worked to train FIE's staff on the various proposed changes. Mark Schreiner produced two reports in March 2001. The first, "Una Sistema de Scoring del Riesgo de Créditos de FIE en Bolivia" (A System of Credit Risk Scoring for FIE in Bolivia), explained the concept of a credit scoring model, documented the developed credit scoring system, explaining how it functioned, the various tests that were conducted on its feasibility, and how the use of the system could save FIE substantial amounts of money. His second report, "Guía Técnica de Un Sistema de Scoring del Riesgo de Créditos de FIE en Bolivia" (Technical Guide for a System of Credit Risk Scoring for FIE in Bolivia), detailed the use of the system, different variables and meaning and use of generated data.

### H. Prodem

In the beginning of 2000, the foundation for the promotion and Development of Microenterprises, Prodem, obtained its FFP license from the SBEF. Prodem focuses on the provision of a variety of financial services to both rural and urban clients. The major focus of USAID/Bolivia and Chemonics' TA was in the area of information system development and the investigation into developing leasing products.

### 78, 80, and 93      Systems Development

Under these DOs, Carlos Ditmeyer was contracted with the general objective of strengthening Prodem's information systems in the areas of human resources, budgeting, and security of information systems. Results of this DO were the development of an integrated economic and financial evaluation system to assess potential borrowers and the development of a financial alarm and early management and detection system. Palm Pilots were also evaluated and tested to determine if their value was worth the added expenses and a manual for the economic evaluation of the Pocket PC was created to provide explanation on how to log in, enter in the necessary data, etc. Under this DO, Carlos Ditmeyer produced both a technical and user manual for each area of the developed information systems, security, organizational development and budgeting. He also produced a dictionary of terms and types of transactions used in the developed database.

## 113 Data Mart Model

The objective of this DO was to construct an electronic Data Mart database to analyze Prodem's portfolio information and to allow for financial projections and evaluations. For the completion of this DO, Chemonics contracted Carlos Ditmeyer. Based on the construction of the data base SICO (Sistema de Siembras y Cosechas), Carlos Ditmeyer produced the following five manuals in March of 2001: 1) "Manual de Administración" (Administration Manual); 2) "Manual de Instalación" (Installation Manual); 3) "Manual Usuario" (User's Manual); 4) "Manual de Análisis" (Analysis Manual); and 5) "Manual de Diseño" (Design Manual).

## 114 Housing Leasing

The focus of this project was work in conjunction with Prodem to determine the feasibility of providing housing leasing services for the clients in La Paz and El Alto. Chemonics contracted Javier Aneiva, Rainier Anslinger, and Fernando Rojas to produce a study detailing the demand level based on a market study and legal, economic, and operational ramifications. Major findings and recommendations from their report, "Proyecto Leasing Habitacional" (Housing Leasing Project) published March 2001, included that there was a large housing deficit and demand in Bolivia, that housing products should be geared toward young and low-income families, that products should be designed with consideration for political and legal dynamics, and that initial products should focus on savings for use specifically for housing purposes.

### I. ProMujer

ProMujer is a private, international non-profit organization established in 1991 to implement programs for extremely poor women. During the period of USAID/Bolivia and Chemonics' TA, the organization had a main office in La Paz and four regional offices located in Cochabamba, El Alto, Sucre, and Tarija. ProMujer's main areas of focus are credit and training, pre-employment training and job referrals, family planning, and research. ProMujer's primary program is that of credit and training, to which they apply a hybrid of village bank and Grameen Bank associations. The focus of TA to ProMujer was on an institutional assessment and organizational and new product development.

## 9 Institutional Assessment

Under this DO, Arelis Gomez and James Hochschwender were contracted to conduct an assessment of ProMujer's strengths and weakness and its capacity for expansion. Further objectives of this DO were the provision of recommendations to strengthen the organization. Major conclusions and recommendations made from Arelis Gomez and James Hochschwender's report, "Institutional Assessment of ProMujer" published in August 1997 were that while ProMujer's performance at the date of publication had been very good, and while it was agreed that they could achieve their goals set forward in their five year strategic plan, it was also determined that several issues would need to be addressed for them to continue their success and expansion. These issues included the reassessment of staff qualifications, salaries, and incentives, with particular emphasis on hiring personnel with a financial or management background, and the updating of audit and internal control policies and procedures and the training of personnel on their use. Other important recommendations included a review of the organizational structure, the creation of additional incentives to savings mobilization portfolio growth and on-time repayment, and the development of a loan loss reserve fund and focusing on increasing productivity.

## 14 Human Resources Analysis

Under this DO, Arelis Gomez was contracted work in conjunction with ProMujer in the design of a system of audits and internal controls. In her report, "ProMujer: Sistema de Auditoría de Campo" (ProMujer: Field Auditing System) published in December 2000, she detailed the designed audit system and highlighted needed changes to be made to the Credit Program

Procedures Manual, a system of incentives for personnel, and modifications to the supervision of promoters system. The modifications included adding checklists of tasks to be performed by credit officials and managers to standardize performance and ensure a high quality of program operations. Also part of her report was an explanation of the role and activities of a field office inspector.

## **20 Management Information Systems Evaluation**

The objective of this DO was to begin the task of integrating the accounting and credit components of ProMujer's MIS to increase the efficiency of information processing and credit operations. For this assignment Chemonics contracted Peter Glibbery. His report, "Auditoría de ProMujer" (Auditing of ProMujer) published in December 1998 provided an analysis of ProMujer's current system and recommendations. Major areas of focus included security, audit system, regional support, human resources, purchase of technology, market study, and personnel training.

## **41 Determination of Financing Requirements**

Under this DO, Katya Collao was contracted to work with ProMujer to determine their financing needs and analyze the requirements for establishing of line of credit with a second story financial intermediary. In her report, "Determinación del Requerimiento de Financiamiento" (Determining of Financing Requirements) published in February 2000, Katya Collao recommended that Funda-Pro qualify ProMujer as an Credit Intermediary Institution (ICI) but that they not provide financing at the time given the status of microfinance in Bolivia and ProMujer's needs. The report detailed future financing needs based on four possible development scenarios: 1) implementing new technology; 2) opening a new branch in Santa Cruz; 3) not implementing new technology but opening a new branch in Santa Cruz; and 4) implementing new technology but not opening a new branch in Santa Cruz. For options one and two, financing was recommended for the first quarter of 2001; for option three, financing was not suggested until 2004; and for option four, financing was advised in the second quarter of 2000.

## **62 New Product Development**

Under this DO, Arelis Gomez was contracted to analyze data from ProMujer's evaluation of the impact of their services on their clients. Based on this analysis, she produced the "Manual de Crédito Individual" (Individual Credit Manual) in March 2001 that detailed the means for ProMujer to improve their services by developing new products in the areas of credit, savings, and internal accounts. Included in the process of the design of new products were the training of ProMujer's personnel and a pilot test phase of selected new products to allow for product refinement, if needed.

## **88 New Product Development**

Arelis Gomez was contracted again under this DO to conclude her work begun under Do No. 62 on the development of new products for ProMujer. Specifically, under this DO she produced the report, "Evaluación de Diseño e Implantación de Nuevos Productos Capacitación Personal" (Evaluation of the Design and Implementation of New Personal Capacitating Products) in March

2001 focusing on the making modifications to the "Manual de Crédito Individual" (Individual Credit Manual) produced under DO No. 62 and evaluating and adjusting the new individual credit products in three more regions, training personnel in each of the three regions, and designing new products in the areas of mortgages, life insurance, and pawn shops.

### **J. Bolinvest**

The Bolinvest Foundation began in 1989 with the purpose of providing successful technical and administrative assistance to local, national, and foreign business entities. Its main focuses have been in the areas of export and investment promotion and job creation. The one DO done in conjunction with Bolinvest was to assist the foundation in their organizational restructuring and strategic plan.

## **5 Organizational Restructuring and Strategic Plan**

Chemonics contracted Mario Ganuza and Norman Garcia to assist Bolinvest in its organizational restructuring and development of a strategic plan in order to develop a coherent mission and activities, reduce costs, increase revenues, and improve services and efficiency. Their report, "Reestructuración y Planificación Estrategia para Bolinvest" (Planning and Strategic Restructuring for Bolinvest) published in August 1997, found that Bolinvest's major strengths were having capable directors with a solid vision of the business, experienced personnel, and financial support from USAID. Weakness cited included a lack of capitalization plans, administrative systems, business culture, inter-institutional relations and efficient organizational structure. The report made a variety of recommendations stemming from the need to develop new organizational, business, marketing, and financial strategies.

### **K. Funda-Pro**

The Foundation for Production, Funda-Pro was established in 1992 as a private institution focusing on the support and development of the private sector through facilitating and expanding credit for groups who typically have difficulty in receiving such services. Funda-Pro was created based on an agreement between USAID/Bolivia and the Government of Bolivia to institutionalize the Project Formation of Capital in Secondary Areas (FOCAS). During the period of USAID/Bolivia and Chemonics' coordination with Funda-Pro, the organization had 16 professionals and businesspeople as members. The organization not only focused on lending activities, but also on the provision of training services to increase the knowledge base of microfinance practitioners. Major areas of TA focused on strategic analysis, investigations of investment proposals, and the development of the PRE and IBEE training programs.

## **3 Strategic Analysis**

Under this DO, Mario Davalos was contracted by Chemonics to conduct a strategic analysis of Funda-Pro to assist it in focusing its energies as it prepared to function as a second story bank. Included in the strategic analysis were examinations of Funda-Pro's results, reasonableness of costs and expenditures, organizational structure, leadership and executive capabilities, role of the board of directors, relationship with first story institutions (clients), appropriateness of impact criteria, investment and financial policies, future plans, and flexibility and timeliness in

responding to issues and opportunities. Mario Davalos' report, "Evaluación y Análisis de la Fundación para la Producción FUNDAPRO" (Evaluation and Analysis of the Foundation for the Production [Funda-Pro]) was published in October 1996 and focused on the historical analysis of Funda-Pro, investigations into its financial and administrative issues, and recommendations for its future development.

## **15 Prospectus and Investment Proposal**

This DO provided a comprehensive description of Funda-Pro's current and planned activities to provide it potential debt and equity funders. For this activity Chemonics contracted Richard Loth. His report, "Fundación para la Producción (Funda-Pro): Operational and Financial Profile" was published in May 1998 and included the results of his financial analysis and an operational and financial profile. The author discussed the viability of creating COR-PRO, Funda-Pro's institution history as well as an institutional profile. His major conclusion were that Funda-Pro was overall in a good operational and organizational position. Furthermore, the author found that with the creation of COR-PRO, the foundation would be completing one of its major objectives, that of establishing a second tier or institutional bank that could continue its financing activities in the micro and small enterprise sectors in a more appropriate way.

## **17 Assessment of MSE Sector**

The objective of this DO was to draft an outline for a survey on the breadth and characteristics of micro and small-scale enterprises in Bolivia and their demand for financial services. Based on the outline, a survey methodology was created which could be replicated in order to allow for the monitoring of sectoral development. For this assignment, Chemonics contracted Miguel Cabal. Two of his major recommendations in his report, "Revision del Alcance del Estudio Sobre las Pequeñas y Microempresas en Bolivia" (Revision of the Scope for the Study on Small and Microenterprises in Bolivia) published in November 1997 were the importance of understanding what is needed from the questionnaire and the ensuring that the sample population will reflect the actual population. Furthermore, continual checks and verifications were recommended to be made of obtained information to ensure accurate comparisons in future surveys.

### **L. IBEE/PRE**

During the 1997-1998 academic year, Funda-Pro implemented their Program for the Development of Human Resources and Microfinance Practitioners (PRE). The Bolivian Institute for Managerial Studies (IBEE) began working closely with PRE in 1998 and provided much of the human resource coordination and development. At the close of TO No. 3, IBEE and PRE were beginning to officially merge their organizations and services. The focus of TA to IBEE/PRE was in the areas of program development and the provision of training and administrative services.

## **16 Microfinance Training Methods and Techniques**

This purpose of this DO was to conduct a training course on microfinance training methods and techniques in conjunction with IBEE and Funda-Pro from December 12-13, 1997. Course material was incorporated into a manual on micro and small enterprise (MSE) lending practices.

For the provision of training services, Chemonics contracted Cecilia Campero, Claudio Gonzalez, Peter Glibbery, Miguel Rivarola, and Rodrigo Lopez. Courses from the workshop included: 1) Introduction on the Microfinance Training Program: General and Specific Objectives and Implementation Strategies; 2) Introduction to the Training Course For Microfinance Training; 3) Training Techniques and Methods in Microfinance; 4) Various Case Studies in Business Strategies; 5) From the Teacher to the Facilitator: Teacher/Student Discipline, Facilitator-Participant; 6) The Importance of the Teaching Environment; 7) Power Point Training; and 8) The Art of Communication. A summary of these activities was included in the report, "Taller de Métodos y Técnicas de Capacitación" (Workshop on Training Methods and Techniques), produced in July 1997.

### **30 International Seminar on Rural Finance**

Under this DO, Anne Bordonaro provided logistical support and William Bonilla, Efren Sanchez, and Erwin Pirir to present papers at IBEE/PRE's international conference on the challenges in the 21st century of rural financial services in the Americas, with a particular focus on the importance of savings mobilization, how it can be executed successfully, and why it can create sustainability for banking entities. The two-day conference in La Paz took place from November 17-19, 1998.

### **32 Training Program Evaluation**

Under this DO, Steven Smith was contracted by Chemonics to evaluate the first phase of IBEE's training program on human resources for MFIs (PRE) with particular emphasis on PRE's organizational structure, administration, academic content of courses and events, instructors and their qualifications, and administration and support of participants. Major findings from Steven Smith's two reports, "Evaluation of the Program to Strengthen Human Resources in MFIs" (February 1999) and "Proposal for the Second Phase of the Program to Strengthen Human Resources in MFIs" (March 2000) were that while the majority of students found the quality and effectiveness on instructors and courses at a high level, there was also a desire for more diversity and practical rather than theoretical trainings. The only major source of frustration with the offered programs was the frequent changes in dates and instructors. Recommendations included the creation of a Microfinance Training Unit within PRE, and that focus should be put on contracting international instructors and using regional experiences in courses. The author also saw two major decisions needing to be made in regard to IBEE managing PRE: 1) the prioritization of microfinance among IBEE's principle institution goals; and 2) the strengthening of IBEE's leadership and microfinance capacity.

### **40 Development of RFP for Second Phase of PRE Program**

Under this DO, Jaime Burgoa and Claudio Gonzalez Vega produced the report, "Programa de Formación de Recursos Humanos de Entidades de Microfinanciamiento (PRE) Diseño Final de Segunda Fase-Periodo de Tres Años" (Program for the Formation of Human Resources for Microfinance Entities: (PRE) Final Design of the Second Phase – Period of Three Years) published in September 1999. It detailed their analysis and design of PRE's structure and mechanisms for execution, pursuit, and evaluation. Based on this design, the further objective of

this DO was to create an RFP to use to invite different training institutions to present proposals and assist in the evaluation and selection of the entity that will manage the program.

## **82 Training Services**

Under this DO, Alejandro Alzate provided training services to IBEE/PRE on issues related to the marketing of MFIs. In this two-day course titled “Mercadeo en Instituciones Microfinancieras” (Marketing in MFIs), the instruments, politics and technical innovations to effectively market microfinance products were discussed. The training took place in two cities, in La Paz from the 20th to the 22nd of July, 2000, and in Santa Cruz from the 24th to the 26th of July, 2000. Also under this DO, Claudio Gonzalez Vega provided training services to IBEE/PRE, in September 2000 on issues related to innovations in deposit mobilization, from the point of view of the demand and the offer of savings instruments. The training, titled “Innovaciones en Movilización de Depósitos” (Innovations in Deposit Mobilization) was given to local students of microfinance and microfinance practitioners.

## **100 Training Services**

Fernando Lucano was contracted by Chemonics under this DO to provide training services in conjunction with IBEE/PRE to MFIs on the different sources of financing available and their requirements. The two-day course took place in La Paz in December 2000 and was titled “Fuentes de Financiamiento.” (Financing Sources) Also under this DO, Claudio Gonzalez Vega was contracted to provide training services on issues related to innovations in deposit mobilization and Luis Echarte was contracted to provide training services on effective business planning. The latter two trainings occurred in La Paz in November 2000.

## **101 Administrative Services for International Seminar**

Under this DO, Carla Valdez provided administrative support to IBEE/PRE as the two organizations continued to merge. Her duties included support of the analysis of the international and national demand for microfinance training, support in preparing proposals for funding, and the organization of courses, trainings, and seminars.

## **III. Conclusion – Summary of Results and Follow-On Activities**

By working closely with USAID/Bolivia its MicroServe IQC TO No. 3, Chemonics has assisted the expansion and maturation of MFIs in Bolivia and helped the country gain international recognition for having one of the most developed microfinance markets in the world. In addition to providing focused TA and training to seven of Bolivia’s leading MFIs, Chemonics has helped to create and to maintain an enabling environment for microenterprise development by working with the SBEF and VMF on policy, legal, regulatory and supervisory issues relevant to the sector’s growth. Over the life of TO No. 3 (May 1996 – March 2001) Chemonics facilitated the transformation of three NGOs to FFPs (FIE in 1998, and EcoFuturo in 1999, and Prodem in 2000). In addition, Chemonics has assisted the efforts of Agrocapital to transform itself from NGO to FFP, although as at the close of Chemonics’ MicroServe IQC, Agrocapital had yet to receive its FFP license. Through TO No. 3, Chemonics also supported domestic and international training for microfinance practitioners while building local institutional capacity to continue such

training; and assisted in improving the policy and legal framework for the sector especially in the areas of prudential regulation, self-regulation, supervision procedures, credit information gathering and reporting, crisis management, and financial tax codes. This combination of technical assistance and training helped Bolivia's leading MFIs weather one of the biggest challenges ever facing the sector – the consumer debt crisis of 1997-1998 – to emerge stronger and able to achieve the best performance to date in terms of their financial self-sustainability and outreach.

While Bolivia's microfinance sector has experienced rapid growth for most of the 1990's, it has become increasingly clear that MFIs have saturated the urban market and that they are experiencing heightened competition. Due to increased overall microfinance market commercialization and crowding, further improvements in MFI performance will require additional innovations by practitioners to better meet their clients' needs in more cost-effective manners. By expanding into rural markets, developing more diverse financial products, and utilizing new technologies to lessen the costs of financial service delivery, Bolivia's MFIs should be able to achieve greater financial self-sustainability while increasing both the breadth and depth of their outreach.

Following the expiration of both Chemonics' MicroServe IQC and its TO No. 3 in March 2001, USAID/Bolivia awarded a separate four-year, \$7.4 million TO under the Financial Services (FS) component of the Support for Economic Growth and Institutional Reform Results Package (SEGIR) IQC in large part to continue the expansion of Bolivia's microfinance market into rural areas and to sustainably increase the overall level of savings mobilization. As a follow-on to Chemonics' MicroServe IQC TO No. 3, USAID/Bolivia's Rural Financial Services project is expanding the provision of sustainable financial services from formal institutions to a greater number of people in rural areas. In addition, underserved and urban populations alike are targeted for access to non-credit services, especially deposit services. Development Alternatives, Inc. is providing TA and training for a variety of financial institutions and other organizations involved in microfinance, overseeing research on innovation and new product development, and managing a rural investment fund as part of the follow-on project.

## **Annex 1: List of Publications Produced under the Microserve IQC TO NO. 3**

### **Delivery Order 1: Analysis of Potential Merger Between Agrocapital and Sartawi**

Peoples, Ken L.: *Consideraciones para una Fusión entre la Fundación Sartawi y la Fundación Agrocapital*: Informe de Conclusion, November 1996. (Peoples, Ken L.: Consideration of a Merger between the Sawarti Foundation and the Agrocapital Foundation, November 1996)

### **Delivery Order 2: Licensing of FIE as an FFP**

Miguel A. Rivarola: *Evaluación de la Propuesta de Constitución del Fondo Financiero Privado para el Fomento de Iniciativas Económicas*, October 1996. (Evaluation of the Proposal of the Constitution of the Private Financial Fund for the Increase of Economic Initiatives)

### **Delivery Order 3: Strategic Analysis**

Mario Dávalos: *Evaluación y Análisis de la Fundación para la Producción (Funda-Pro)*, October 1996. Evaluation and Analysis of the Foundation for Production (Funda-Pro))

### **Delivery Order 4: Technical Advisor**

James Hochschwender: Preliminary Analysis of MFIs in Bolivia, June 1997.

### **Delivery Order 5: Organizational Restructuring and Strategic Plan**

Ganuzza, Mario; García, Norman: *Reestructuración y Planificación: Estrategia para Bolinvest*, August 1997. (Planning and Strategic Restructuring for Bolinvest)

### **Delivery Order 6: Policies and Procedures Updating**

Camilio Arenas and Miguel Rivarola: *Manual de Depósitos: Procedimientos Formularios, Instructivos y Flujogramas*, August 1997. (Deposits Manual: Procedures, Forms, Instructions and Flowcharts for Private Financial Funds)

Miguel Rivarola: *Manual de Operaciones de Crédito: Políticas, Normas, Procedimientos, Evaluación, y Calificación*, July 1997. (Credit Operations Manual: Policies, Norms, Procedures and Evaluation)

Miguel Rivarola: *Manual de Procedimientos Administrativos: Políticas, Procedimientos y Flujogramas de Compra de Bienes Tangibles*, July 1997. (Manual for Administrative Procedures: Policies, Procedures, and Flowcharts for Purchasing Goods)

Miguel Rivarola: *Manual de Procedimientos Administrativos: Políticas, Procedimientos, y Flujogramas de Control de Inventarios y Almances*, July 1997. (Administrative Procedures Manual: Policies, Procedures, and Flowcharts to Manage Inventories and Warehouses)

Miguel Rivarola: *Manual de Organización y Funciones*, July 1997. (Organization and Functions Manual)

Robert Boni: *Revisión del Sistema de Informatica del Centro de Fomento a las Iniciativas Económicas*, April 1997. (Information Systems Review of the Centre for the Increase of Economic Initiatives)

Jaime A. Mendoza: *Propuesta sobre Recursos Humanos para el Fondo Financiero Privado al Centro de Fomento de Iniciativas Económicas*, August 1997. (Human Resources for FFP "Centro de Fomento de Inicitivas Economicas" Report)

#### **Delivery Order 7: Due Dilligence Analysis and Evaluation of ACDI's Equity Investment Proposal**

Arenas, Camilio; Fernandez, Victor: *Evaluación de la Constitución Propuesta del Fondo Financiero Privado Agrocapital y Revisión y Evaluación de la Propuesta de AGRICULTURAL*, July 1997. (Evaluation of the Proposed Constitution of the Private Financial Fund, Agrocapital and the Revision and Evaluation of the AGRICULTURAL Proposal)

Arenas, Camilio; Cardone, Rodolfo; Angles, Nilo G.; Fernandez, Victor: *Diligencia Propia de la Fundación Agrocapital*, June 1997. (Due Diligence Study of Agrocapital)

#### **Delivery Order 8: Deposit Services and Savings Product Analysis**

Arenas, Camilio; Cardone, Rodolfo; Gomez, Arelis: *El Servicio de Ahorro en el Fondo Financiero Privado Agrocapital*, December 1997. (Savings Services for Agrocapital FFP)

#### **Delivery Order 9: Institutional Assessment**

Gomez, Arelis; Hochschwender, James: *ProMujer: Institutional Assessment*, August 1997.

#### **Delivery Order 11: Creation of FFP Ecofuturo**

Davalos, Mario; Tucker, William: *Evaluación del Proyecto de Constitución del Fondo Financiero Privado Ecofuturo*, July 1998. (Report on the Incorporation of Ecofuturo as a Private Financial Fund)

#### **Delivery Order 12: Transition to FFP Assistance**

Miguel Rivarola: *Programa de Planificación Estratégica*, July 1997. (Program for Strategic Planning)

Miguel Rivarola: *Taller de Actualización de Créditos y Ahorros*, September 1997. (Workshop on Credits and Savings Skills)

Miguel Rivarola: *Taller de Actualización de Créditos y Ahorros: Casos Prácticos*, September 1997. (Workshop on Credits and Savings Skills: Practical Cases)

Miguel Rivarola: *Taller de Actualización Operativa*, July 1997. (Workshop on the Updating of Operative Systems)

Miguel Rivarola: *Taller de Administración Gerencial*, September 1997. (Workshop on General Administration)

#### **Delivery Order 13: Personnel Operations and Procedures Manual**

E.D. Gonzalez: *Fondo Financiero Privado para el Fomento a las Iniciativas Económicas: Plan General de Capacitación*, March 1998. (Private Financial Fund for the Increase of Economic Initiatives: General Training Plan)

#### **Delivery Order 14: Human Resources Analysis**

Arelis Gomez: *ProMujer: Sistema de Auditoría de Campo*, December 2000. (ProMujer: Auditing System for the Field)

#### **Delivery Order 15: Prospectus and Investment Proposal**

Richard Loth: *Fundación Para la Producción (Funda-Pro): Operational and Financial Profile*, May 1998.

#### **Delivery Order 16: Microfinance Training Methods and Techniques**

Campero, Cecelia; Gonzalez-Vega, Claudio; Glibbery, Peter; Lopez, Rodrigo; Rivarola, Miguel: *Taller de Metodos y Técnicas de Capacitación*, December 1997. (Workshop on Training Methods and Techniques)

#### **Delivery Order 17: Assessment of the SME Sector**

Miguel Cabal: *Revisión del Alcance del Estudio sobre las Pequeñas y Microempresas en Bolivia*, November 1997. (Review of the Scope of the Study on Small and Microenterprises in Bolivia)

#### **Delivery Order 19: Diagnostic of Internal Control and Security Systems**

Rodolfo Cardone: *Diagnóstico Institucional para la Transformación de la Fundación Agrocapital en Fondo Financiero Privado*, August 1998. (Institutional Diagnostic for the Transformation of Agrocapital into an FFP)

Rodolfo Cardone: *Sistema de Control Interno: Agrocapital*, August 1998. (Internal Control System for Agrocapital)

**Delivery Order 20: Management Information Systems Evaluation**

Peter Glibbery: *Auditoría de ProMujer*, December 1998. (Auditing of ProMujer)

**Delivery Order 22: Non-Financial Services Evaluation**

Baudoin, Luis; Monje, Guillermo, Zenon, Sandi: *Evaluación de los Servicios No-Financieros de FIE y sus Proyecciones de Mediano Plazo*, December 1998. (Evaluation of Non-financial Services of FIE and its Medium Term Projections)

**Delivery Order 23: Development of Cost Center and Budget Controls**

Eugenio Balestie Peluffo: *Agrocapital: Módulo para el Centro de Costos y Control Presupuestario*, November 1998. (Agrocapital: Module for the Center of Costs and Budgetary Control)

**Delivery Order 26: Administration and Financial Planning**

Guillermo Bolaños: *Manual de Planificación y Administración Financiera para Agrocapital*, February 2000. (Planning and Financial Administration Manual for Agrocapital) February 2000.

**Delivery Order 27: System Audit and Design**

Sanchez, Omar; Ramirez, Luis: *Sistema de Información Operativa y Gerencial*, September 2000. (Report on Auditing Work)

**Delivery Order 28: Financial and Non-Financial Services**

Issac Terrico: *Evaluación y Diseño de Servicios Financieros y No-Financieros para la Población Rural de Bolivia*, February 1999. (Evaluation and Design of Financial and Non-Financial Services for the Rural Population of Bolivia)

Donald Jackson: *Evaluation to Support the Development of Non-Financial Services for the Rural Poor in Bolivia*, February 1999.

**Delivery Order 29: Transformation into Consolidated Institution**

Guillermo Bolaños: *Monthly Reports for Ecofuturo*, November 1998.

**Delivery Order 31: Adjustments to Prudential Norms**

Roberto Araya: *Manual de Inspección de Tecnologías Financieras en Créditos de Consumo*, March 2000. (Manual for the Inspection of Financial Technology in Consumer Credit)

**Delivery Order 32: Training Program Evaluation**

Stephen Smith: *Evaluation of the Program to Strengthen Human Resources in MFIs (Pre 1998)*, February 1999.

Stephen Smith: *Proposal for the Second Phase of the Program to Strengthen Human Resources in MFIs*, March 2000.

**Delivery Order 33: Financial Administration and Planning Manual**

Guillermo Bolaños: *Ecofuturo Financial Administration Manual*, September 1999.

**Delivery Order 34: Operations, Administration and Financial Management Manual**

Pablo Gonzalez: *Consultoría de Fortalecimiento Institucional*, March/August 1999.  
(Consultancy for Institutional Strengthening)

**Delivery Order 35: Prodem Licensing Review**

Miguel Rivarola: *Evaluación Parcial de los Documentos Presentados por la Fundación para la Promoción y Desarrollo de la Microempresa (Prodem) para Obtener la Licencia de Funcionamiento*, February 2000. (Partial Evaluation of Documents Presented by the Foundation for the Promotion and Development of the Microenterprise (Prodem) to Obtain the Functioning License)

**Delivery Order 37: Acquisitions Manual**

Guillermo Bolanos: *Manual de Adquisiciones*, March 2001. (Acquisitions Manual)

**Delivery Order 38: Human Resources Manual and Training Plan**

Marta Arguello: *Manual de Recursos Humanos*, September 1999. (Human Resources Manual)

**Delivery Order 39: Portfolio Administration Manual**

Rodolfo Cardone: *Asistencia Técnica: Sistema de Administración de Cartera Activa*, February 2000. (System for the Administration of an Active Portfolio)

**Delivery Order 40: Development of RFP for Second Phase of the PRE Program**

Burgoa, Jaime; Gonzalez-Vega, Claudio: *Programa de Formación de Recursos Humanos de Entidades de Microfinanciamiento (PRE) Diseño Final de Segunda Fase-Periodo de Tres Años*, September 1999. (Program for the Formation of Human Resources for Microfinance Entities: Final Design Phase of the Second Phase - Three-Year Period)

**Delivery Order 41: Determination of Financing Requirements**

Katya Collao: *Determinación del Requerimiento de Financiamiento*, February 2000.  
(Determination of Financing Requirements)

**Delivery Order 42: Management Information System Upgrade**

Brower, Bruce; Murdock, John: *Asistencia Técnica A FIE-FFP para el Desarrollo de Mejores Sistemas de Información*, September 1999. (Technical Assistance to FIE-FFP for the Development of Better Information Systems)

**Delivery Order 43: Credit Bureau Study**

Bolaños, Guillermo: *Establecimiento de Oficina de Información de Crédito y Ampliación de la Información de la Central de Riesgos de la SBEF*, February 2000. (Establishment of a Credit Information Office and Expansion of the Information from the Central Risk Bureau of the SBEF)

**Delivery Order 44: Alternatives of Self-Regulation for Microcredit Institutions**

ICC: *Las Organizaciones Privadas de Pequeño y Microcrédito (OPMs): Proyecto de Normativa de Autoregulación*, September 2000. (Rules for Self-Regulation for Small and Microcredit Institutions)

**Delivery Order 46: Computer System of the Risk Center Update**

Luis Luipac: *Sistemas Computarizados de la Central de Riesgos de la SBEF y de la Oficina de Información de Crédito*, October 2000. (Computerized Systems from the Central Risk Bureau of the SBEF and the Credit Information Office)

**Delivery Order 47: Design of New Financial Products**

Acuña, María del Socorro; Díaz, José; Escobedo, Edgardo "Willy"; Gallegos, Luis: *Diseño de Nuevos Productos de Captación de Depósitos Para Caja Los Andes*, March 2001.  
(Design of New Products to Capture Deposits for Caja Los Andes)

**Delivery Order 48: Financial Products Market Study**

Miguel Cabal: *Estudio de Mercado de Productos Financieros Para Caja Los Andes S.A.F.F.P.*, December 2000. (Market Study of Financial Products for Caja Los Andes S.A.F.F.P.)

**Delivery Order 49: Small Enterprise Product Development**

Castel Quiroga: *Evaluación y Diseño de Productos para la Pequeña Empresa*, March 2001.  
(Evaluation and Design Productos for Small Enterprise)

**Delivery Order 52: Operations and Management Information System**

Ramirez, Luis; Sanchez, Omar: *Sistema de Información Operativo y Gerencial*, March 2001. (Management and Operative Information System)

**Delivery Order 54: Organization and Functions Manual**

Rodolfo Cardone: *Informe de Asistencia Técnica: Antecedentes Para la Formulación de un Manual de Organización y Funciones*, February 2001. (Antecedents to the Formulation of an Organization and Functioning Manual)

Rodolfo Cardone: *Manual de Organización y Funciones*, February 2001. (Manual of Organization and Functioning)

**Delivery Order 55: Training, General Assessment and Business Planning**

Luis Bocchio: *Políticas y Procedimientos de Captaciones para Ecofuturo S.A.F.F.P.*, December 2000. (Policies and Procedures for Capturing Savings for Ecofuturo S.A. F.F.P.)

Garcia, Oscar; Ortega, Ramiro: *Asesoría en Planificación Estratégica: Ecofuturo S.A. F.F.P.*, February 2001. (Strategic Planning Technical Assistance)

**Delivery Order 56: Internal Manual for Personnel**

Ximena Behoteguy: *Reglamento Interno para Ecofuturo*, December 2000. (Internal Regulation for Ecofuturo)

**Delivery Order 61: Diagnostic for Savings Services**

Luis Bocchio: *Diagnóstico de Servicios de Ahorro, FIE-FFP*, February 2000 (Diagnostic for Savings Services, FIE-FFP)

**Delivery Order 62: New Product Development**

Areli Gomez: *Manual de Crédito Individual*, March 2001. (Individual Credit Manual)

**Delivery Order 64: Evaluation of the Impact of Microcredit on the Economy**

Miguel Cabal: *Estudio de Evaluación de Impacto del Microcredito en el Sistema Financiero y Análisis de Tendencias*, March 2001. (Impact Evaluation Study of Microcredit on the Financial System and an Analysis of Trends)

**Delivery Order 67: Adjustments to Supervision Procedures of Microfinance Entities**

Jeffrey Poyo: *Evaluación de los Instrumentos de Análisis Institucional de la Intendencia de Entidades No-Bancarias de la Superintendencia de Bancos y Entidades Financieras de Bolivia*, March 2001. (Evaluation of Institutional Analysis Instruments of the Intendency of Non-Banking Institutions and Financial Entities in Bolivia)

Jeffrey Poyo: *Manual de Supervisión: Intendencia de Supervisión de Entidades No Bancarias*, March 2001. (Manual of Supervision of Non-Bank Entities)

**Delivery Order 75: Diagnostic of Microcredit Program**

Jacky Bass: *Diagnóstico del Programa de Microcrédito*, May 1999. (Diagnostic of the Microcredit Program)

**Delivery Order 76: Internal Control and Systems**

Mireya Martinez: *Desarrollo del Proyecto de Control Interno: Manual de Procedimientos*, March 2001. (Development of Internal Control Project: Procedures Manual)

Mireya Martinez: *Manual de Auditoría Interna*, March 2001. (Internal Auditing Manual)

**Delivery Order 83: Impact Evaluation of Technical Assistance and Training Provided to the SBEF**

Katya Collao: *Evaluación de la Asesoría Técnica y Capacitación de USAID Suministrada*, February 2001. (Evaluation of the Technical Assistance and Training from USAID)

**Delivery Order 85: Design of Products and Strengthening of Credit Technology for Micro and Small Enterprises**

Juan Carlos Arenas: *Rediseño de Productos y Fortalecimiento de Tecnología Crediticia para Microempresa y Apoyo en Pequeña Empresa*, March 2001. (Redesign and Strengthening of Credit Technology for Microenterprise and Aid to Small Enterprise)

**Delivery Order 86: Development of Management Information System**

Omar Sanchez: *Sistema de Información Gerencial*, March 2001. (System of Management Information)

Juan Carlos Ditmeyer: *Informe de Visita a ULO Viacha*, March 2001. (Report on Visit to ULO Viacha)

**Delivery Order 89: Liquidity Management Study**

Luis Bocchio: *Mejoramiento de los Sistemas de Liquidez para FIE F.F.P.*, March 2001. (Improvement to Liquidity Systems for FIE F.F.P.)

**Delivery Order 91: Loans to Small Enterprises**

Juan Luis Daly: *Manual de Análisis de Operaciones de Crédito a la Pequeña Empresa*, March 2001. (Manual of Credit Operations Analysis for Small Enterprise)

Juan Luis Daly: *Manual de Políticas y Procedimientos de Crédito para Prestamos a la Pequeña Empresa*, March 2001. (Credit Policies and Procedures Manual for Small Enterprise Lending)

#### **Delivery Order 92: Determination of Unit Costs**

Diego Jaramillo: *Manual de Procedimientos para la Determinación de Costos Unitarios de Productos Financieros de Movimiento*, March 2001. (Procedures Manual for Setting Unit Costs for Financial Movement Products)

Diego Jaramillo: *Manual de Procedimientos para la Determinación de Costos Unitarios de Productos Financieros de Colocación*, March 2001. (Procedures Manual for the Setting Unit Costs for Financial Location Products)

Diego Jaramillo: *Manual de Procedimientos para la Determinación de Costos Unitarios de Productos Financieros de Captación*, March 2001. (Procedures Manual for Setting Unit Costs for Financial Products to Capture Funds)

#### **Delivery Order 93**

Juan Carlos Ditmeyer: *Manual Técnico del Sistema de Evaluación Económica para la Pocket PC*, March 2001. (Technical Manual of the System of Economic Evaluation for the Pocket PC)

Juan Carlos Ditmeyer: *Sistema de Desarrollo Organizacional: Manual Técnico*, March 2001. (Organizational System: Technical Manual)

Juan Carlos Ditmeyer: *Sistema de Instalación – Manual Técnico*, March 2001. (Installation System – Technical Manual)

Juan Carlos Ditmeyer: *Sistema de Presupuestos: Manual Técnico y Manual de Usuario*, March 2001. (Budgeting System – Technical Manual and User's Manual)

Juan Carlos Ditmeyer: *Sistema de Seguridad: Manual de Usuario y Manual Técnico*, March 2001. (Security System – User's Manual and Technical Manual)

#### **Delivery Order 97: Analysis of the Taxation Code Law**

Cristina Loza Candia: *Análisis de la Incidencia del Proyecto de Ley de Código Tributario sobre el Sistema de Intermediación Financiera*, March 2001. (Analysis of the Incidence of the Project of the Taxation Code Law on the Financial Intermediation System)

**Delivery Order 98: Amendment of the Regulation on Trust, Evaluation of the Current Microcredit Model and Transformation of Savings and Credit Cooperatives into FFPs**

ICC: *Evaluación de Transformación de Cooperativas de Ahorro y Crédito en Fondos Financieros Privados*, March 2001. (Evaluation of the Transformation of Savings and Credit Cooperatives in Private Financial Funds)

**Delivery Order 103: Environmental Impact Assessment of Microenterprises**

Acevedo, Rafael; Beasley, Jean Anne; Donald, Richard; Pereira, Jose: *Estudio Ambiental de Microfinanzas*, March 2001. (Environmental Microfinance Study)

**Delivery Order 112**

Mark Schriener: *Un Sistema de Scoring del Riesgo de Créditos de FIE en Bolivia*, March 2001. (A Scoring System for Credit Risks for FIE in Bolivia)

Mark Schriener: *Guía Técnica de un Sistema de Scoring del Riesgo de Créditos de FIE en Bolivia*, March 2001. (Technical Guide for a Scoring System for Credit Risks for FIE in Bolivia)

**Delivery Order 113: DataMart Model**

Juan Carlos Ditmeyer: *Datamart: Sistema de Proyección y Evaluación de Funcionarios*, March 2001. (Datamart: A System of Protection and Evaluation of Functionaries)

**Delivery Order 114: Housing Leasing**

Aneiva, Javier; Rainer, Anslinger; Rojas, Fernando: *Proyecto Leasing Habitacional*, March 2001. (Housing Leasing Project)